



# Kings County Board of Supervisors

Kings County Government Center  
1400 W. Lacey Boulevard ❖ Hanford, California 93230  
☎ (559) 852-2362 FAX (559) 585-8047

*In compliance with the Americans with Disabilities Act, if you require a modification or accommodation to participate in this meeting, including agenda or other materials in an alternative format, please contact the Board of Supervisors Office at (559) 852-2362 (California Relay 711) by 3:00 p.m. on the Friday prior to this meeting. The Clerk of the Board will provide assistive listening devices upon request.*

## *Agenda* May 15, 2018

**Place:** Board of Supervisors Chambers  
Kings Government Center, Hanford, CA

<b>Chairman:</b>	Richard Valle (District 2)	<b>Staff:</b>	Rebecca Campbell, County Administrative Officer
<b>Vice Chairman:</b>	Joe Neves (District 1)		Colleen Carlson, County Counsel
<b>Board Members:</b>	Doug Verboon (District 3)		Catherine Venturella, Clerk of the Board
	Craig Pedersen (District 4)		
	Richard Fagundes (District 5)		

***Please turn off cell phones and pagers, as a courtesy to those in attendance.***

- I 9:00 AM** **CALL TO ORDER**  
**ROLL CALL – Clerk of the Board**  
**INVOCATION – Chad Fagundes – Koinonia Church**  
**PLEDGE OF ALLEGIANCE**
- II 9:00 AM** **UNSCHEDULED APPEARANCES**  
*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.*
- III 9:05 AM** **CONSENT CALENDAR**  
*All items listed under the consent calendar are considered to be routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of any Board Member and made a part of the regular agenda.*
- A. Approval of the Minutes: May 8, 2018**
  - B. Community Development Agency:**  
Consider approving revision to Land Conservation Contract No. 1208 for Agricultural Land Division No. 17-03 and authorizing the Chairman to sign the declaration of intent and acknowledgment of penalty for unlawful conveyance.
  - C. County Counsel:**  
Authorize the Chairman to sign Amendment No. 6 to the Yuba Accord Agreement with the Department of Water Resources under the Dry Year Water Purchase Program.
  - D. Health Department:**  
Consider authorizing the Chairman to sign the California Integrated Vital Records System Local Health Department Participation Agreement with the California Department of Public Health.
  - E. Public Works Department:**  
Consider authorizing the Director of Public Works to sign a limited Power of Attorney granting American Modular Concepts, Inc. the authority to sign the Dealer Report of Sale or Lease for submission to the Department of Housing and Community Development for the Human Services two story modular building.

IV

**REGULAR AGENDA ITEMS**

- 9:10 AM A. Human Services Agency – Sanja Bugay/Julia Patino/Trish Shubert/Shannon Tolbert/Fil Leanos**
1. Information regarding the Walk Against Child Abuse and the Annual Kids Day event which took place on April 28, 2018.
  2. Consider authorizing the Chairman to sign an amendment to Agreement No. 17-087 with Champions to extend the Agreement through December 31, 2021.
- 9:15 AM B. Behavioral Health Department – Lisa Lewis/UnChong Parry**  
Consider allocating 2.0 full time equivalent Licensed Mental Health Clinician positions and 1.0 full time equivalent Office Assistant III to implement the County’s Quality Assurance Services and to provide new services to the Human Services Agency.
- 9:20 AM C. Administration – Rebecca Campbell/Kyria Martinez**
1. Consider authorizing the advertisement of the Inmate Auto Detailing Service to all County Employees.
  2. Consider making one appointment to the Citizens Advisory Committee for the San Joaquin Valley Air Pollution Control District.
- 9:25 AM D. Board Member Announcements or Reports**  
*On their own initiative Board Members may make a brief announcement or a brief report on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Section 54954.2a).*
- ◆ Board Correspondence
  - ◆ Upcoming Events
  - ◆ Information on Future Agenda Items

V

- 10:00 AM E. PUBLIC HEARING**  
**Community Development Agency- Greg Gatzka/Chuck Kinney**  
Hold a Public Hearing and consider adopting a Resolution authorizing updates to the Kings County First-Time Homebuyer Program Guidelines.
- 10:00 AM F. PUBLIC HEARING**  
**Administration – Rebecca Campbell**  
**California Public Finance Authority – Caitlin Lanctot**  
Conduct a public hearing under the requirements of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the Internal Revenue Code of 1986 and consider adopting a Resolution approving the tax-exempt financing and issuance of obligations by the California Public Finance Authority for financing the construction, acquisition and installation of furniture, fixtures and equipment of education facilities for Credo High School.

VI

- 10:15 AM G. CLOSED SESSION**
- ◆ **Conference with Real Property Negotiator** [Govt. Code Section 54956.8]  
Property: 1000 Chittenden Ave., Corcoran, CA 93212 (APNs 030-213-008)  
Negotiating Parties: Rebecca Campbell for County  
Under Negotiation: Terms and conditions of potential purchase.
  - ◆ **Conference with Real Property Negotiator** [Govt. Code Section 54956.8]  
Property: 501 E. Kings St., Avenal, CA (APNs 040-165-007, 040-165-011, 040-165-012)  
Negotiating Parties: Rebecca Campbell for County  
Under Negotiation: Terms and conditions of potential purchase.
  - ◆ **Litigation initiated formally.** The title is: *Berbereia v. County of Kings*

**VII**

**H. ADJOURNMENT**

The next regularly scheduled meeting is scheduled for Tuesday, May 22, 2018, at 9:00 a.m.

***FUTURE MEETINGS AND EVENTS***

May 22	9:00 AM	Regular Meeting
May 22	11:00 AM	California Public Finance Authority Regular Meeting
May 22	1:30 PM	Kings County Housing Authority Board of Directors Regular Meeting
May 22	2:00 PM	Kings In-Home Supportive Services Board Regular Meeting
May 29	--	REGULAR MEETING CANCELLED IN OBSERVANCE OF MEMORIAL DAY – May 28, 2018
June 5	9:00 AM	Regular Meeting
June 5	11:00 AM	California Public Finance Authority Regular Meeting
June 12	9:00 AM	Regular Meeting
June 19	9:00 AM	Regular Meeting
June 19	11:00 AM	California Public Finance Authority Regular Meeting
June 26	9:00 AM	Regular Meeting
June 26	1:30 PM	Kings County Housing Authority Board of Directors Regular Meeting
June 26	2:00 PM	Kings In-Home Supportive Services Board Regular Meeting

*Agenda backup information and any public records provided to the Board after the posting of the agenda will be available for the public to review at the Board of Supervisors office, 1400 W. Lacey Blvd, Hanford, for the meeting date listed on this agenda.*



# Kings County Board of Supervisors

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## *Action Summary*

**May 8, 2018**

**Place:** Board of Supervisors Chambers  
Kings Government Center, Hanford, CA

<b>Chairman:</b>	Richard Valle (District 2)	<b>Staff:</b>	Rebecca Campbell, County Administrative Officer
<b>Vice Chairman:</b>	Joe Neves (District 1)		Colleen Carlson, County Counsel
<b>Board Members:</b>	Doug Verboon (District 3)		Catherine Venturella, Clerk of the Board
	Craig Pedersen (District 4)		
	Richard Fagundes (District 5)		

***Please turn off cell phones and pagers, as a courtesy to those in attendance.***

**I B 1**

### **CALL TO ORDER**

**ROLL CALL – Clerk of the Board**

**INVOCATION – Bobby Guerra – Pentecostal Church of God**

**PLEDGE OF ALLEGIANCE**

**ALL MEMBERS PRESENT**

**II B 2**

### **UNSCHEDULED APPEARANCES**

*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.*

**Matthew Boyett, Kings County Recognition committee member thanked everyone for their hard work and participation in making the Employee Recognition barbecue a success.**

**Chuck Spencer, Associate Pastor Riverdale Assembly of God presented a plaque to the Kings County Sheriff's Department for their service to the people of Kings County.**

**Rebecca Campbell, County Administrative Officer recognized John Lehn, retired Economic and Workforce Development Director for his 41 years of service to Kings County.**

**Julianne Phillips, Water and Natural Resources Division Manager gave the Board an update on the Temperance Flat project and the outcome of the hearings held on the project.**

**Tasha Hall, SEIU member and In-Home Supportive Services worker stated that the members are here to ask the Board to increase their wages.**

**III B 3**

**CONSENT CALENDAR**

*All items listed under the consent calendar are considered to be routine and will be enacted by one motion. For any discussion of an item on the consent calendar, it will be removed at the request of any Board Member and made a part of the regular agenda.*

**A. Approval of the Minutes: April 24, 2018**

**B. Agriculture Department:**

Consider authorizing the Agricultural Commissioner to sign the Agreement with the California Crop Improvement Association for the County's assistance with the seed certification program.

**C. Behavioral Health Department:**

1. Consider adopting Sober Graduation Program Resolutions and authorizing the department to provide program funds in Avenal, Corcoran and Lemoore. [**Reso 18-035, 18-036, 18-037**]
2. Consider approving the amended bylaws of the Kings County Behavioral Health Advisory Board.

**D. County Counsel:**

Consider appointing Mark Grewal, Douglas Jackson and Victor Cruz as directors of the Tulare Lake Reclamation District #761 to reestablish a quorum.

**E. Fire Department:**

Consider approving the purchase of one portable refueling system, authorizing the Purchasing Manager to sign the purchase order and authorizing the Clerk of the Board to sign the budget appropriation and transfer form. **(4/5 vote required)**

**F. Human Services Agency:**

Consider authorizing the Human Services Agency Director and Chief Probation Officer to sign the Memorandum of Understanding with the California Department of Social Services to receive training and assistance for the recruitment and retention of Resource Families.

**G. Information Technology Department:**

Consider authorizing the Chairman to sign the three-year license renewal Agreement with McAfee for the Endpoint Protection software suite and authorizing the Purchasing Manager to sign the purchase order. [**Agmt 18-031**]

**H. Job Training Office:**

Consider authorizing the Economic Development Manager, Jay Salyer to travel to Dallas, Texas from May 14-16, 2018 for business recruitment purposes.

**I. Sheriff's Office:**

Consider authorizing out of state travel for Sheriff David Robinson to attend the National Sheriffs' Association Annual Training in New Orleans, Louisiana on June 15-20, 2018.

**J. Administration:**

1. Consider authorizing the Chairman to sign the City-County Agreement for animal control services with the City of Lemoore for the term of July 1, 2018 through June 30, 2019. [**Agmt 18-032**]
2. Consider reappointing Colleen Carlson to the position of County Counsel, effective May 17, 2018 for another four year term.
3. Consider authorizing the Chairman to sign the Medi-Cal County Inmate Program Agreement with the California Department of Health Care Services for the term of July 1, 2018 through June 30, 2019. [**Agmt 18-034**]

**ACTION: CONSENT CALENDAR APPROVED AS PRESENTED (JN/DV/CP/RF/RV-Aye)**

**IV**

**B 4**

**REGULAR AGENDA ITEMS**

**A. Assessor/Clerk-Recorder – Kristine Lee/Cheryl Ballin**

Consider approving the request form the City of Hanford for consolidation of its General Municipal Election scheduled for November 6, 2018 with the November 6, 2018 statewide election and authorizing the County Clerk to render all services specified by Elections Code 10418 relating to the City of Hanford's General Municipal Election as requested.

**ACTION: APPROVED AS PRESENTED (DV/RF/JN/CP/RV-Aye)**

- B 5**      **B. District Attorney’s Office – Keith Fagundes/Robert Waggle**  
Consider adopting a Resolution designating May 15, 2018 as Peace Officers’ Memorial Day and the week of May 13-19, 2018 as Police Week in Kings County with a Memorial Ceremony to be held on May 16, 2018. **[RESO 18-038]**  
**ACTION: APPROVED AS PRESENTED (DV/RF/JN/CP/RV-Aye)**
- B 6**      **C. Human Resources Department – Leslie McCormick Wilson/Carolyn Leist**  
Consider approving the revised job specification and retitle for the classification for Fleet Services Manager to ~~Feet~~ Fleet Services Superintendent.  
**ACTION: APPROVED AS AMENDED (JN/DV/CP/RF/RV-Aye)**
- B 7**      **D. Information Technology Department – John Devlin**  
Consider authorizing the Chairman to sign the three-year Microsoft Volume Licensing Agreement and authorizing the Purchasing Manager to sign the Purchase Order. **[Agmt 18-033]**  
**ACTION: APPROVED AS PRESENTED (JN/DV/CP/RF/RV-Aye)**
- B 8**      **E. Public Works – Kevin McAlister/Dominic Tyburski**  
Consider adopting a Resolution authorizing the installation of a multi-way (all-way) stop at the intersection of 13<sup>th</sup> Avenue and Flint Avenue as the result of a Multi-Way Warrant Study.  
**[Reso 18-039]**  
**ACTION: APPROVED AS PRESENTED (DV/JN/CP/RF/RV-Aye)**
- B 9**      **F. Administration – Rebecca Campbell**  
Consider making one re-appointment to the Citizens Advisory Committee for the San Joaquin Valley Air Pollution Control District.  
**ACTION: APPROVED AS PRESENTED (DV/CP/JN/RF/RV-Aye)**
- B 10**     **G. Administration – Rebecca Campbell**  
**Human Resources – Leslie McCormick Wilson/Henie Ring**  
1. Consider adopting a Salary Resolution which reflects Memorandum of Understanding terms for represented bargaining units, previously authorized classification, salary and benefit changes and salary recommendations for Unrepresented Management and approving salary recommendations for Department Heads and Elected Officials. **[Reso 18-034]**  
**ACTION: APPROVED AS PRESENTED (JN/CP/JN/RV-Aye, RF-No)**  
2. Consider implementing a hiring freeze effective immediately with exceptions to be authorized by the County Administrative Office.  
**ACTION: ITEM TABLED FOR 90 DAYS (JN/DV/CP/RF/RV-Aye)**
- V**    **B 11**     **H. PUBLIC HEARING**  
**Administration – Rebecca Campbell**  
**Public Works – Kevin McAlister**  
Hold a Public Hearing to receive comments regarding a proposed power purchase agreement for solar projects at the Government Center and the Road Yard.  
**Supervisor Valle opened the public hearing, no testimony was received and the public hearing was continued.**

**B 12**

**I. Board Member Announcements or Reports**

*On their own initiative Board Members may make a brief announcement or a brief report on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Gov. Code Section 54954.2a).*

**Supervisor Pedersen stated that he attended the Surf Ranch, Founders Cup event on May 5-6, 2018 in Lemoore, and attended the Temperance Flat Dam project coordinating meeting.**

**Supervisor Verboon stated that he attended the Surf Ranch, Founders Cup event on May 6, 2018, attended the City/County Coordinating meeting on May 2, 2018 hosted by the City of Corcoran and attended the Kings County Storybook Garden car show on May 5, 2018.**

**Supervisor Neves stated that he attended the Commission on Aging Ombudsman appreciation luncheon in Fresno and presented certificates to the volunteers and then attended the Local Agency Formation Commission, Kings County Area Public Transit Agency and Kings County Association of Governments meetings on April 25, 2018. He stated that he attended the Kings County Farm Bureau coffee quarterly meeting, announced Lemoore High School softball and attended the Hanford Chamber of Commerce annual dinner on April 26, 2018, attended the Community Breakfast at the Tachi Palace and presented at the International Lions Convention on April 27, 2018. He stated that he presented a certificate to Jack Schwartz at his 103<sup>rd</sup> birthday party on April 28, 2018, cooked at the Kings County employee recognition barbecue and thanked everyone who helped, and attended the South Fork Kings Groundwater Assessment workshop on May 1, 2018, attended the Office of Education presentation and the City/County Coordinating meeting hosted by the City of Corcoran on May 2, 2018. He stated that he attended the National Day of Prayer luncheon on May 3, 2018 and attended the Lemoore Police Department “Coffee with a Cop” event on May 4, 2018, attended the Surf Ranch, Founder’s Cup event on May 5, 2018 and the Knights of Columbus breakfast and Cabrillo Club brunch on May 6, 2018.**

**Supervisor Valle stated that he attended a 25 year reunion of his Marine Corps troop in Las Vegas on May 5-6, 2018.**

- ◆ Board Correspondence: None
- ◆ Upcoming Events: **Rebecca Campbell stated that the Open House tour of the SB 1022 Kings County Jail Expansion Phase III and Day Reporting center will be held today from 12:00 p.m. to 3:00 p.m., the Mental Health Awareness Community Walk will be held on May 10, 2018 from 1:00 to 2:00 p.m. at the Oak Wellness Center Court Yard, Friends of the Library will hold their annual Spring book sale at the Hanford Branch Library on May 12, 2018 from 10:00 a.m. to 2:00 p.m., Human Services Agency will hold an open house and tour of the new two story building and lobby redesign of building #8 on May 23, 2018 from 11:00 a.m. to 2:00 p.m., Champions will hold an open house and art show on May 16, 2018 from 6:00 p.m. to 8:00 p.m. and Kings County Commission on Aging will host a Senior Prom Friendship day at the Hanford Civic Auditorium on June 8, 2018 from 9:00 a.m. to 12:00 p.m. and a breakfast burrito fundraiser on June 22, 2018.**
- ◆ Information on Future Agenda Items: **Rebecca Campbell stated that the following items would be on a future agenda: Administration budget transfer for internal services funds and fleet fund, SB 81 study session and continued public hearing on the Government Center solar projects and stated that the proposed budget will be before the Board on June 26, 2018.**

**VI B 13**

**J. CLOSED SESSION**

♦ **Conference with Real Property Negotiator** [Govt. Code Section 54956.8]

Property: 501 E. Kings St., Avenal, CA (APNs 040-165-007, 040-165-011, 040-165-012)

Negotiating Parties: Rebecca Campbell for County

Under Negotiation: Terms and conditions of potential purchase.

**REPORT OUT: Rebecca Campbell, County Administrative Officer stated that the Board took no reportable action in closed session today.**

**VII**

**K. ADJOURNMENT**

The next regularly scheduled meeting is scheduled for Tuesday, May 15, 2018, at 9:00 a.m.

**VIII 11:00 AM L. CALIFORNIA PUBLIC FINANCE AUTHORITY- REGULAR MEETING**

***FUTURE MEETINGS AND EVENTS***

May 15	9:00 AM	Regular Meeting
May 22	9:00 AM	Regular Meeting
May 22	11:00 AM	California Public Finance Authority Regular Meeting
May 22	1:30 PM	Kings County Housing Authority Board of Directors Regular Meeting
May 22	2:00 PM	Kings In-Home Supportive Services Board Regular Meeting
May 29	--	REGULAR MEETING CANCELLED IN OBSERVANCE OF MEMORIAL DAY – May 28, 2018
June 5	9:00 AM	Regular Meeting
June 5	11:00 AM	California Public Finance Authority Regular Meeting

*Agenda backup information and any public records provided to the Board after the posting of the agenda will be available for the public to review at the Board of Supervisors office, 1400 W. Lacey Blvd, Hanford, for the meeting date listed on this agenda.*





# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Community Development Agency – Greg Gatzka / Kao Nou Yang

**SUBJECT:** DECLARATION OF INTENT AND ACKNOWLEDGMENT OF PENALTY FOR UNLAWFUL CONVEYANCE, ASSOCIATED WITH A REVISION OF LAND CONSERVATION CONTRACT NO. 1208

**SUMMARY:**

**Overview:**

As one of the requirements for an Agricultural Land Division for a transfer of title between immediate family members, the applicant is required to sign and record a Declaration of Intent and Acknowledgment of Penalty for Unlawful Conveyance, Associated with a Revision of Land Conservation Contract pursuant to Article 4, Section 411.A.3.a.(1) of the Kings *County Development Code*. This Declaration states that the Owner(s) and Recipient(s) of the parcels acknowledge all terms and conditions of the Agricultural Land Conservation Contract which is conveyed with the transfer of title.

**Recommendation:**

1. Approve revision to Land Conservation Contract No. 1208 for Agricultural Land Division No. 17-03; and
2. Authorize the Chairman to sign the Declaration of Intent and Acknowledgment of Penalty for Unlawful Conveyance.

**Fiscal Impact:**

None.

**BACKGROUND:**

In Lieu Parcel Map (IPM) No. 17-05 for the Nelson and Ludy Rodrigues Living Trust was approved by the Kings County Advisory Agency on August 30, 2017. Site Plan Review, Agricultural Land Division (SPR-ALD)  
(Cont'd)

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_, Deputy.

## **Agenda Item**

### **DECLARATION OF INTENT AND ACKNOWLEDGMENT OF PENALTY FOR UNLAWFUL CONVEYANCE, ASSOCIATED WITH A REVISION OF LAND CONSERVATION CONTRACT NO. 1208**

**May 15, 2018**

**Page 2 of 2**

No. 17-03 was approved by the Kings County Zoning Administrator on August 30, 2017.

The purpose of the division was to divide 47.76 acre parcel into four (4) parcels and a designated remainder (1.09 acres, 11.66 acres, 11.67 acres, 11.67 acres and 11.67 acres) for the purposed of transferring title of Parcel No. 1 (1.09 acres) to an immediate family member who is actively engaging in the farming operation on the subject property.

Requirement No. 9 of SPR-ALD No. 17-03 and Condition No. 7 of IPM 17-05 both require that a Declaration of Intent, pursuant to Article 4, Section 411.A.3.a.1 of the *Kings County Development Code* shall be submitted to the Kings County Community Development Agency and approved by the County for its content prior to recording the Parcel Map.

This item has been reviewed by the Community Development Agency and is on file with the Clerk of the Board for viewing.

RECORDING REQUESTED BY:

\_\_\_\_\_  
WHEN RECORDED, RETURN TO THE  
KINGS COUNTY  
COMMUNITY DEVELOPMENT AGENCY  
KINGS COUNTY GOV'T CENTER  
1400 W. LACEY BLVD.  
HANFORD, CA 93230

**DECLARATION OF INTENT AND ACKNOWLEDGMENT  
OF PENALTY FOR UNLAWFUL CONVEYANCE,  
ASSOCIATED WITH A REVISION OF LAND CONSERVATION CONTRACT**

\* \* \* \* \*

**THIS DECLARATION IS HEREBY GIVEN BY "OWNER(S)" AND "RECIPIENT(S)"** acknowledging the terms and conditions of Site Plan Review Agricultural Land Division No. 17-03, approved by the County of Kings pursuant to Article 4 Section 411. and Article 23 Section 2308.B. of the Kings County Development Code; and to revise Agricultural Land Conservation Contract No. 1208, Agricultural Preserve No. 0000 - 471, by and between:

RANDY RODRIGUES, SUCCESSOR TRUSTEE OF THE SECOND AMENDED AND RESTATED NELSON AND LUDY RODRIGUES LIVING TRUST DATED OCTOBER 1, 2004 AND RODNEY J. RODRIGUES, SUCCESSOR TRUSTEE OF THE BYPASS TRUST ESTABLISHED UNDER THE WILL OF MARY ANN RODRIGUES, AKA THE GRANDCHILDREN'S BYPASS TRUST UNDER THE WILL OF MARY ANN RODRIGUES

and the COUNTY OF KINGS, recorded December 29, 1970 , as Instrument No. 15908 , in Book 963, Pages 303 of the Official Records of Kings County, California, affecting that property shown as PARCEL NO. 1 AND PARCEL NO. 2 of that certain parcel map as recorded in Book \_\_\_\_\_ of Parcel Maps at Page \_\_\_\_\_, Kings County Records, to modify section 2 of said contract to convey approximately 1.09 ACRES to:

(Name of the Recipient):

(Relationship to the Owner(s))

STUART G. RODRIGUES

SON AND GRANDCHILD



\_\_\_\_\_

The owner(s) and recipient(s) further declare that the expressed and intended purpose is to convey said acreage to the recipient(s), and that the acreage is for the exclusive use of the recipient(s) for their principle residence, to retain the remainder of the property by the owner(s), and no further conveyance is intended without further action that may be required by local ordinance or state law.

**WE ACKNOWLEDGE** that the County of Kings may construe, absent any extenuating circumstances, any subsequent conveyance of the acreage or lot from the recipient(s) or owner(s) to another party, for ten years from the date this declaration was recorded or the parcel is restricted by the Land Conservation Contract No. 1208, whichever is the longer time period, as a violation of the terms of the joint management agreement required as part of this division of land, the Agricultural Land Conservation Contract, the Kings County Development Code, the Article 23 of the Kings County Development Code, and the Subdivision Map Act. Such a violation could result in the County of Kings imposing a penalty by taking one or more of, but not limited to, the following actions:

1. Rescission of the contract revision which would render the home site illegal and require the conveyance of the home site to the owners.
2. Take an action pursuant to Article 1.5 (Merger of Parcels) of Chapter 3 of the Subdivision Map Act, or other action pursuant to Chapter 7 (Enforcement and Judicial Review) of the Subdivision Map Act, which may include penalties for each violation of the Act by a person who is the subdivider or an owner of record at the time of the violation of imprisonment in the county jail not to exceed one year or in state prison, by a fine not to exceed ten thousand dollars (\$10,000), or both that fine and imprisonment.
3. Loss or rescission of entitlement to development or building permit, thereby prohibiting new construction, or improvement to, or replacement of, existing structures.

Extenuating circumstances include the death, divorce, long-term illness, permanent disability, or bankruptcy of one of the parties of the declaration, and may be cause for changes in the intended use of the parcel. Relief from this declaration may be granted through the application and approval of a new site plan review accompanied by documentation of the listed extenuating circumstances.

The terms of this declaration shall not apply to this land if it is acquired pursuant to a bona fide involuntary foreclosure by a lender, or similar involuntary process of law, including but not limited to a deed in lieu of foreclosure.

**WE DECLARE** under penalty of perjury that the foregoing statement is true and correct, and that we understand its terms and intent.

Dated this 20 day of March, 2016, at Hartford (City), CT (State).

Recipient:

Owner(s):

STUART G. RODRIGUES

RANDY RODRIGUES, SUCCESSOR TRUSTEE OF THE SECOND AND RESTATED NELSON AND LUDY RODRIGUES LIVING TRUST DATED OCTOBER 1, 2004

*Stuart G. Rodrigues*

*Randy Rodrigues*

RODNEY J. RODRIGUES, SUCCESSOR TRUSTEE OF THE BYPASS TRUST ESTABLISHED UNDER THE WILL OF MARY ANN RODRIGUES, AKA THE GRANDCHILDREN'S BYPASS TRUST UNDER THE WILL OF MARY ANN RODRIGUES

*Rodney J. Rodrigues*

The **COUNTY OF KINGS** acknowledges and approves the revision of the Land Conservation Contract subject to the conditions stated above:

BY: \_\_\_\_\_  
**Chairman of the Board of Supervisors**

STATE OF CALIFORNIA     }  
  }  
COUNTY OF KINGS        }

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me Catherine Venturella, clerk of the Board of Supervisors in and for said County personally appeared \_\_\_\_\_, Chairman of the Board of Supervisors of Kings County, known to me to be the person described in and whose name is subscribed to and who executed the same.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the Seal of said Board the day and year in this certificate first written above.

\_\_\_\_\_  
**Catherine Venturella, Clerk of the Board of Supervisors**

*(Attach Notary Acknowledgments for Owner(s) and Recipient(s) signatures)*







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

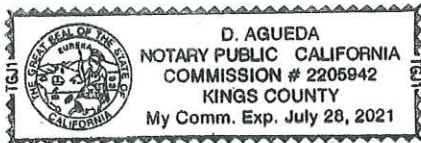
STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF KINGS            )

On March 14<sup>th</sup>, 2018, before me,       D AGUEDA, a Notary Public, personally appeared STUART G. RODRIGUES, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person or the entities upon behalf of which the person acted, executed the instrument.

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

**WITNESS my hand and official seal.**

(SEAL)



  
\_\_\_\_\_  
NOTARY PUBLIC





# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** County Counsel – Colleen Carlson

**SUBJECT:** AMENDMENT 6 TO THE AGREEMENT AMONG THE DEPARTMENT OF WATER RESOURCES, THE YUBA COUNTY WATER AGENCY AND THE COUNTY OF KINGS

**SUMMARY:**

**Overview:**

This agreement is for the supply and conveyance of water by the Department of Water Resources of the State of California to the participating State Water Project Contractors under the Dry Year Water Purchase Program.

**Recommendation:**

**Authorize the Chairman to sign Amendment No. 6 to the Yuba Accord Agreement between the Department of Water Resources and the County of Kings under the Dry Year Water Purchase Program**

**Fiscal Impact:**

The cost of the water, which will be paid for by the entities actually using the water.

**BACKGROUND:**

Kings County ("County") is a State Water Project ("SWP") Contractor and the County's SWP service area is the boundaries of the County of Kings. The County and Tulare Lake Basin Water Storage District ("TLBWSD") have each independently entered into SWP water supply contracts with the Department of Water Resources ("DWR"). The DWR has entered into a Water Purchase Agreement with Yuba County Water Agency for implementing the Yuba River Accord. TLBWSD, who administers the County's SWP contract, has requested and recommended that the County enter into Amendment No. 6 to the Dry Year Water Purchase Program Agreement.

(Cont'd)

**BOARD ACTION :**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk to the Board

By \_\_\_\_\_, Deputy.

**AMENDMENT 6 TO THE AGREEMENT AMONG THE DEPARTMENT OF WATER  
RESOURCES, THE YUBA COUNTY WATER AGENCY AND THE COUNTY OF KINGS**

**May 15, 2018**

**Page 2 of 2**

The County, along with 22 other SWP Participating Contractors, has been participating in the dry year program made available through the Yuba County Water Agency in conjunction with the Department of Water Resources and State Water Project Contractors such as Kings County and TLBWSD. To avoid last minute amendments and a rush for approval to address pricing issues related to market conditions, a streamlined groundwater substitution transfers pricing process has been established whereby a management committee consisting of representatives from Participating Contractors, Yuba, DWR, Reclamation and CALFED fishery agencies will annually negotiate pricing based on pre-set parameters. Amendment 5 added language that excluded the Yuba Member Units from negotiations for the pricing of Accrued Groundwater Substitution Water (Component 4 Water) in a Schedule 6 year as defined in the Terms. Yuba is currently working with its Member Units to adopt an amendment to the Yuba Accord Conjunctive Use Agreements to allow the Member Units to participate in negotiation of the pricing of accrued groundwater substitution water in a Schedule 6 year. In order to harmonize this conjunctive use amendment with another provision of the Agreement (Section 8.B.5), Yuba and its Member Units propose removing the language in Section 8.B.5 that excludes the Member Units from price negotiations in a Schedule 6 year.

In summary, by executing Amendment 6, the County would agree to an amendment that would allow the Yuba County Water Agency Member Units to be involved in the negotiation of the price of groundwater substitution transfer water in a Schedule 6 Year. All remaining contractual provisions will continue in full force and effect through December 31, 2025.

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791

RECEIVED

APR 25 2018

KINGS COUNTY  
COUNTY COUNSEL

APR 20 2018

Mr. Larry Spikes  
Chief Administrative Officer  
County of Kings  
1400 West Lacey Boulevard  
Hanford, California 93230-5962



Proposed Amendment 6 to Water Purchase Agreement to  
Conform with Changes to the Conjunctive Use Agreements

Dear Mr. Larry Spikes:

Yuba County Water Agency (Yuba) has asked the Department of Water Resources (DWR) to execute an amendment to the Water Purchase Agreement (Agreement) to delete certain language added by Amendment 5 in December 2014 (see Attachment A). That language from Section 8.B.5 of the Agreement, highlighted below, excluded the Yuba Member Units from price negotiations of Accrued Groundwater Substitution Water in Yuba River Flow Schedule 6 years, as defined in the Fisheries Agreement and in Corrected SWRCB Order 2008-0014.

"The 30,000 acre-feet of Groundwater Substitution Component water that Yuba is required to provide in a Schedule 6 Year under term 1a of the State Board Order will be Accrued Groundwater Substitution Component water for all purposes under the Agreement, *except that, the Member Units will not be involved in the negotiation of the price for this water supply.*"

The reason for the proposed change is that the Yuba Member Units are negotiating new Conjunctive Use Agreements with Yuba to change the payment distribution between Yuba and its Member Units for groundwater substitution water. Until now, the Member

Mr. Larry Spikes

APR 20 2018

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Units were under contract to provide the 30,000 acre-feet of groundwater substitution water in a Schedule 6 year at a fixed price not subject to annual negotiation. The new agreements between Yuba and its Member Units will provide a proportional distribution of money among them regardless of Yuba River flow schedule and therefore require Member Unit participation in price negotiations in all years. The change would not impact pricing of groundwater substitution water for the Participating Contractors. Yuba and its Member Units would like this change to be implemented in time to be in effect for the 2018 groundwater substitution transfers.

DWR and Yuba propose to strike the text highlighted above so that the Member Units can participate in the price negotiation in all years. There is no parallel language in the Participation Agreements between DWR and the Participating Contractors, so no revision of them is required. However, the Participation Agreements do require, in Section 17.D, that:

*“DWR will meet and confer with the Participating SWP Contractors and the Authority before agreeing to any proposed changes, amendments, or supplements to the Yuba Water Purchase Agreement. DWR will not agree to any changes, amendments, or supplements to the Yuba Water Purchase Agreement or its Exhibits that would be inconsistent with or adversely affect the Parties’ rights and obligations under this Agreement or any other “Agreement for the Supply and Conveyance of Water By the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program.”*

DWR requests that each Participating Contractor review the proposed amendment (see Attachment B) and, if you have comments, provide them in writing to DWR by May 4, 2018. In addition, DWR will host a conference call among interested contractors to further meet and confer regarding this proposed change on May 7, 2018 at 2 PM, phone line 1-916-574-2007.

DWR believes that the change is in the best interest of all parties, but will defer its final determination pending conclusion of the “meet and confer” process outlined above.

Mr. Larry Spikes

APR 20 2018

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Any questions or comments should be directed to Anna Fock at 916-653-0190, Devinder Dhillon at 916-653-9495, or Curt Spencer at 916-481-2488.

Sincerely,

A handwritten signature in black ink, appearing to read "Pedro Villalobos". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Pedro Villalobos  
Chief, State Water Project Analysis Office

**Attachments**

Attachment A: Letter from Yuba Requesting Amendment 6 to Yuba Accord

Attachment B: Yuba Accord Proposed Amendment 6

cc: Ms. Jennifer Pierre, General Manager  
State Water Contractors, Inc.  
1121 L Street, Suite 1050  
Sacramento, California 95814-3944

**Attachment A: Letter from Yuba County Water Agency requesting Amendment 6 to Yuba Accord, Received March 27, 2018**

**Yuba County Water Agency's Request for Approval of Amendment No. 6 to the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources (SWPAO No. 14-851)**

**Requested Amendment.**

Yuba County Water Agency requests DWR's approval of Amendment No. 6 to the Yuba Accord Water Purchase Agreement as follows:

Amend section 5 of the amendment to section 8.B. that was approved as part of Amendment No. 5 (December 5, 2014) of the Water Purchase Agreement, as follows:

5. In every year that DWR desires to purchase Accrued Groundwater Substitution Component water, representatives of DWR, Yuba, the Member Units and the Participating Contractors will convene by February 15 and conclude by March 31 as the Management Committee to negotiate the price per acre-foot of Accrued Groundwater Substitution Component water, any provisions for the Delta export priority for such water and any other terms applicable to the Accrued Groundwater Substitution Component water. The 30,000 acre-feet of Groundwater Substitution Component water that Yuba is required to provide in a Schedule 6 Year under term I.a. of the State Board Order will be Accrued Groundwater Substitution Component water for all purposes under the Agreement.

**Summary of Requested Amendment.**

The only change requested is to remove the provision that the YCWA Member Units would not be involved in the negotiation of the price for groundwater substitution transfer water in a Schedule 6 Year.

**Purpose of Requested Amendment.**

The Agency and the Member Units are working on an amendment of the Accord Conjunctive Use Agreements under which the Member Units would be participants (along with the Agency, DWR and the participating contractors) in the negotiation of the price for groundwater substitution transfer water in a Schedule 6 Year (as they are for all other groundwater substitution water transfers under the Water Purchase Agreement).

**Attachment A: Letter from Yuba County Water Agency requesting Amendment 6 to Yuba Accord, Received March 27, 2018**

Under the current Conjunctive Use Agreement, most of the revenues from groundwater substitution transfers under the Water Purchase Agreement are retained by the Member Units, except during a Schedule 6 year (where most of the revenues are retained by the Agency). Under the amendment that has been conceptually agreed to by the Agency and the Member Units, the revenues from groundwater substitution transfers under the Water Purchase Agreement would be shared by the Member Units and the Agency in all year types, including a Schedule 6 year. With this change, therefore, it would be appropriate for the Member Units to participate in the price negotiation in a Schedule 6 year (as they do in all other year types).

The Agency and the Member Units would like to implement this change (and some other changes on administrative issues that have no bearing on, and would not conflict with, the Water Purchase Agreement) prior to the 2018 groundwater substitution water transfer program.

**Attachment B:**

**Yuba Accord Proposed  
Amendment 6**



CONTRACT NO. \_\_\_\_\_

CCTS NO. \_\_\_\_\_

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES  
AND  
YUBA COUNTY WATER AGENCY

AMENDMENT 6 TO THE  
AGREEMENT FOR THE LONG-TERM PURCHASE OF WATER FROM YUBA  
COUNTY WATER AGENCY BY THE DEPARTMENT OF WATER RESOURCES  
SWPAO NO. 18-\_\_\_\_

THIS AMENDMENT 6 ("Amendment") to the December 4, 2007 "Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources" as amended ("Agreement") is entered into as of \_\_\_\_\_, 2018, between the Department of Water Resources ("DWR") of the State of California, pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act and other applicable laws of the State of California, and Yuba County Water Agency ("Yuba"), pursuant to the Yuba Act (California Statutes 1959, Chapter 788, as amended), and other applicable laws of the State of California.

RECITALS

- A. On December 4, 2014, DWR and Yuba executed Amendment 5 to the Agreement, amending certain provisions of the Agreement, including an amendment adding language to Section 8.B.5 that excluded the Yuba Member Units from negotiations for the pricing of Accrued Groundwater Substitution Water (Component 4 Water) in a Schedule 6 year, as defined in Term 1.a of Corrected SWRCB Order 2008-0014.
- B. Yuba is currently working with its Member Units to adopt an amendment to the Yuba Accord Conjunctive Use Agreements to allow the Member Units to participate (along with the Agency, DWR and the Participating Contractors) in the

negotiation of the pricing of Accrued Groundwater Substitution Water in a Schedule 6 Year (as they do with all other groundwater substitution water transfers under the Agreement).

- C. In order to harmonize this conjunctive use amendment with the Section 8.B.5 of the Agreement, Yuba and its Member Units propose removing the language in Section 8.B.5. that excludes the Member Units from price negotiations in a Schedule 6 Year.

**The Parties Hereby Amend the Agreement as Follows:**

1. Section 8.B.5 of the Agreement is amended by striking the final clause as follows:
  5. In every year that DWR desires to purchase Accrued Groundwater Substitution Component water, representatives of DWR, Yuba, the Member Units and the Participating Contractors will convene by February 15 and conclude by March 31 as the Management Committee to negotiate the price per acre-foot of Accrued Groundwater Substitution Component water, any provisions for the Delta export priority for such water and any other terms applicable to the Accrued Groundwater Substitution Component water. The 30,000 acre-feet of Groundwater Substitution Component water that Yuba is required to provide in a Schedule 6 Year

AMENDMENT 6 TO THE AGREEMENT FOR THE LONG-TERM PURCHASE OF WATER  
FROM YUBA COUNTY WATER AGENCY BY THE DEPARTMENT OF WATER RESOURCES

under term 1a of the State Board Order will be Accrued Groundwater  
Substitution Component water for all purposes under the agreement  
~~except that, the Member Units will not be involved in the negotiation of the  
price for this water supply.~~

2. This Amendment will become effective upon execution by the Parties.
  
3. All remaining provisions of the Agreement will remain in full force and effect.  
Nothing in this Amendment affects the current term of the Agreement, which is  
through December 31, 2025.

AMENDMENT 6 TO THE AGREEMENT FOR THE LONG-TERM PURCHASE OF WATER  
FROM YUBA COUNTY WATER AGENCY BY THE DEPARTMENT OF WATER RESOURCES

The foregoing is hereby agreed to by the Parties.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Amendment on the  
date first written above.

Approved as to Legal Form  
and Sufficiency:

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

\_\_\_\_\_  
Spencer Kenner  
Chief Counsel

\_\_\_\_\_  
Joel Ledesma  
Deputy Director

Date \_\_\_\_\_

Date \_\_\_\_\_

Attest:

YUBA COUNTY WATER AGENCY  
A Political Subdivision of the  
State of California

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman of the Board

Date \_\_\_\_\_

Date \_\_\_\_\_



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Health Department – Ed Hill

**SUBJECT:** AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH  
FOR THE CALIFORNIA INTEGRATED VITAL RECORDS SYSTEM

**SUMMARY:**

**Overview:**

The California Integrated Vital Records System (Cal-IVRS) is a California Department of Public Health (CDPH) program that works with birth, death, and fetal death vital records data to allow county health departments to access the data certified by county health staff for public health uses.

**Recommendation:**

**Authorize the Chairman of the Board to sign the California Integrated Vital Records System Local Health Department Participation Agreement with the California Department of Public Health.**

**Fiscal Impact:**

None.

**BACKGROUND:**

Over the last two years, the California Department of Public Health (CDPH) has been working to develop the Cal-IVRS, which will bring birth, death, and fetal death registration systems together on a single platform. Electronic Birth Registration System (EBRS) will replace the legacy Automated Vital Statistics System (AVSS) and will benefit Local Registration Districts by eliminating the current semi-automated, paper-based birth registration process. CDPH requires Local Registration Districts to sign a new agreement with Cal-IVRS to provide staff access to EBRS. This new agreement will also replace prior agreements governing access to vital records registration systems. The term of the agreement is for five years.

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_, Deputy.

## California Integrated Vital Records System (Cal-IVRS) Local Health Department Participant Agreement

This California Integrated Vital Records System (Cal-IVRS) Data Privacy and Security Agreement (Agreement) sets forth the data privacy and security requirements that \_\_\_\_\_ [name of local health department] (Participant), and the California Department of Public Health (CDPH) are obligated to follow with respect to all Cal-IVRS Data (as defined herein). By entering into this Agreement, Participant and CDPH agree to protect the privacy and provide for the security of Cal-IVRS Data in compliance with all applicable state and federal laws concerning the Cal-IVRS Data. Permission for Participant to collect, create, access, use and disclose Cal-IVRS Data requires execution of this Agreement by Participant and CDPH.

- I. Supersession: This Agreement supersedes any prior Cal-IVRS Agreement, or other agreement concerning Cal-IVRS Data, between CDPH and Participant.
- II. Definitions: For purposes of this Agreement, the following definitions shall apply:
  - A. Breach: "Breach" means:
    1. The acquisition, access, use, or disclosure of Cal-IVRS Data in violation of any state or federal law or in a manner not permitted under this Agreement that compromises the privacy, security or integrity of the information. For purposes of this definition, "compromises the privacy, security or integrity of the information" means poses a significant risk of financial, reputational, or other harm to an individual or individuals; or
    2. The same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29, subdivision (f). The "system" referenced in Civil Code section 1798.29 shall be interpreted for purposes of this Agreement to reference the California Integrated Vital Records System (Cal-IVRS), only.
  - B. Cal-IVRS Data: "Cal-IVRS Data" means: All data collected in, or created in, the following CDPH information technology systems/databases:
    1. Vital Records Business Intelligence System (VRBIS).
    2. Electronic Birth Registration System (EBRS).

3. Electronic Death Registration System (EDRS).
4. Fetal Death Registration System (FDRS).

C. Disclosure: “Disclosure” means the release, transfer, provision of, access to, or divulging in any other manner of Cal-IVRS Data.

D. Security Incident: “Security Incident” means:

1. An attempted breach.
2. The attempted or successful modification or destruction of Cal-IVRS Data in the California Integrated Vital Records System in violation of any state or federal law or in a manner not permitted under this Agreement. Or,
3. The attempted or successful modification or destruction of, or interference with, system operations in the California Integrated Vital Records System that negatively impacts the confidentiality, availability or integrity of Cal-IVRS Data, or hinders or makes impossible the receipt, collection, creation, storage, transmission or use of Cal-IVRS Data in the Cal-IVRS System.

E. Use: “Use” means the sharing, employment, application, utilization, examination, or analysis of Cal-IVRS Data.

F. Workforce Member: “Workforce Member” means an employee, volunteer, trainee, or other person whose conduct, in the performance of work for Participant, is under the direct control of Participant, whether or not they are paid by the Participant.

G. [Reserved.]

III. Background and Purpose: The CDPH and its Director, designated in statute as the State Registrar, pursuant to Division 102 of the California Health and Safety Code (H&SC), is charged with the duties of registering, maintaining, indexing and issuing certified copies of all California Birth, Death, and Fetal Death records. As part of these activities, the State Registrar operates the VRBIS, EBRS, EDRS, and FDRS databases. Responsibilities set forth in H&SC section 102247 and 102249 provide legislative direction to the State Registrar to develop and maintain an automation system for vital event registration, develop and maintain public health data bases, build a data system that will support policy analysis and program decisions at all levels, be useful to health care providers, local and community agencies, and the state to ultimately benefit consumers of health care services. VRBIS, EBRS, EDRS, and FDRS are necessary components to fulfilling these responsibilities.

- A.** VRBIS is a secure, web based electronic solution for the State Registrar to store California's vital records data and to permit Local Health Departments and others to access such data for purposes allowed under California statute, such as epidemiologic analysis, surveillance, and program evaluation, following all applicable laws and regulations concerning vital record data.
- B.** EBRs, EDRs, and FDRs are secure, web based electronic birth, death, and fetal death registration databases maintained by the State Registrar. Access to EBRs, EDRs, and FDRs is limited to statutorily defined record preparers, such as hospitals (section 102405,) funeral homes (sections 102780 and 102795,) and coroners (102850 – 102870,) as well as local registrars and the State Registrar, required by statute to register and preserve birth, death, and fetal death certificates. In EBRs, EDRs, and FDRs, record preparers enter certificate data into the registration database and electronically submit completed records to the local registrar to be registered. Once records are registered in EBRs, EDRs, and FDRs, record data are transmitted to VRBIS.
- IV.** Legal Authority: The legal authority for CDPH and Participant to collect, create, access, use and disclose Cal-IVRS Data is set forth in Attachment A to this Agreement, which is made part of this Agreement by this reference.
- V.** Effect of the Health Insurance Portability and Accountability Act of 1996 (HIPAA):
- A.** CDPH and Cal-IVRS HIPAA Status: CDPH is a "hybrid entity" for purposes of applicability of the federal regulations entitled "Standards for Privacy of Individually Identifiable Health Information" (Privacy Rule) (45 C.F.R. parts 160, 162, and 164) promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. §§ 1320d - 1320d-8) (as amended by Subtitle D Privacy, of the Health Information Technology for Economic and Clinical Health (HITECH) Act (Pub. L. 111-5, 123 Stat. 265-66)). The Cal-IVRS System has not been designated by the CDPH as, and is not, one of the HIPAA-covered "health care components" of CDPH. (45 C.F.R. § 164.504(c)(3)(iii).) The legal basis for this determination is as follows:
1. The Cal-IVRS System is not a component of CDPH that would meet the definition of a covered entity or business associate if it were a separate legal entity. (45 C.F.R. §§ 160.105(a)(2)(iii)(D); 160.103 (definition of "covered entity").) And
  2. The HIPAA Privacy Rule creates a special rule for a subset of public health activities whereby HIPAA cannot preempt state law if, "[t]he provision of state law, including state procedures established under such law, as applicable, provides for the reporting of disease or injury, child abuse, birth, or death, or for the conduct of public health surveillance, investigation, or intervention."



(45 C.F.R. § 60.203(c) [HITECH Act, § 13421, sub. (a)].) [NOTE: See State laws and regulations listed in Attachment A.]

- B. CDPH is a “Public Health Authority”:** CDPH is a “public health authority” as that term is defined in the Privacy Rule. (45 C.F.R. §§ 164.501; 164.512(b)(1)(i).)
- C. Cal-IVRS Data Use and Disclosure Permitted by HIPAA:** To the extent a disclosure or use of Cal-IVRS Data may also be considered a disclosure or use of “Protected Health Information” (PHI) of an individual, as that term is defined in part 160.103 of Title 45, Code of Federal Regulations, the following Privacy Rule provisions apply to permit such Cal-IVRS Data disclosure and/or use by CDPH and Participant, without the consent or authorization of the individual who is the subject of the PHI:
1. HIPAA cannot preempt state law if, “[t]he provision of state law, including state procedures established under such law, as applicable, provides for the reporting of disease or injury, child abuse, birth, or death, or for the conduct of public health surveillance, investigation, or intervention.” (45 C.F.R. § 60.203(c) [HITECH Act, § 13421, sub. (a)].) [NOTE: See state laws and regulations listed in Attachment A].
  2. A covered entity may disclose PHI to a “public health authority” carrying out public health activities authorized by law; (45 C.F.R. § 164.512(b));
  3. A covered entity may use or disclose protected health information to the extent that such use or disclosure is required by law and the use or disclosure complies with and is limited to the relevant requirements of such law.” (Title 45 C.F.R. §§ 164.502 (a)(1)(vii), 164.512(a)(1).) And,
  4. Other, non-public health-specific provisions of HIPAA may also provide the legal basis for all or specific Cal-IVRS Data uses and disclosures.
- D. No HIPAA Business Associate Agreement or Relationship between CDPH and Participant:** This Agreement and the relationship it memorializes between CDPH and Participant do not constitute a business associate agreement or business associate relationship pursuant to Title 45, CFR, part 160.103 (definition of “business associate”). The basis for this determination is part 160.203(c) of Title 45 of the Code of Federal Regulations (see, also, [HITECH Act, § 13421, subdivision. (a)].) [NOTE: See state laws and regulations listed in Attachment A]. Accordingly, this Agreement is not intended to nor at any time shall result in or be interpreted or construed as to create a business associate relationship between CDPH and Participant. By the execution of this Agreement, CDPH and Participant expressly disclaim the existence of any business associate relationship.

- VI.** Permitted Disclosures: The Participant and its workforce members and agents, shall safeguard the Cal-IVRS Data to which they have access to from unauthorized disclosure. The Participant, and its workforce members and agents, shall not disclose any Cal-IVRS Data for any purpose other than carrying out the Participant's obligations under the statutes and regulations set forth in Attachment A, or as otherwise allowed or required by state or federal law.
- VII.** Permitted Use: The Participant, and its workforce members and agents, shall safeguard the Cal-IVRS Data to which they have access to from unauthorized use. The Participant, and its workforce members and agents, shall not use any Cal-IVRS Data for any purpose other than carrying out the Participant's obligations under the statutes and regulations set forth in Attachment A or as otherwise allowed or required by state or federal law. Notwithstanding the foregoing, inter-jurisdictional data may only be used in accordance with the following:
- A.** Permitted Use of Inter-jurisdictional Data: CDPH participates in the State and Territorial Exchange of Vital Events. As a participating state, CDPH receives data about births and deaths of California residents occurring in other states and territories. The VRBIS system makes this data available for use by local public health agencies. As a condition of having access to this data, the Local Health Department Participant further agrees to all of the following:
1. The data received can be used for statistical analysis as long as no personally identifiable information is released.
  2. The data can be used for public health surveillance, public health program evaluation, and administrative uses. Such uses require a statement of intended use approved by CDPH.
  3. Any health research must be approved by the California Health and Human Services Agency's Committee for the Protection of Human Subjects. In addition, any use of confidential birth data for research also requires the approval of the CDPH Vital Statistics Advisory Committee. Data received for health research is deemed confidential and no personally identifiable data are permitted.
  4. All data files received must be stored on a secure network consistent with the requirements defined in Section IX. The data must be destroyed when the project described in statement of intended use is completed.

5. Any other release, re-release, or use of birth or death data requires the written permission of the originating state or territory.

- VIII.** Safeguards: Participant shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the privacy, confidentiality, security, integrity, and availability of Cal-IVRS Data. The Participant shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Participant's operations and the nature and scope of its activities in performing its legal obligations and duties (including performance of its duties and obligations under this Agreement), and which incorporates the requirements of Section IX, Security, below.
- IX.** Security: The Participant shall take all steps necessary to ensure the continuous security of all of Participant's computerized data systems that access, process, store, receive or transmit Cal-IVRS Data. These steps shall include, at a minimum, the following:
- A.** Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, and/or NIST 800-53 (version 4 or subsequent approved versions) which sets forth guidelines for automated information systems in Federal agencies; and
  - B.** In case of a conflict between any of the security standards contained in either of the aforementioned sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to Cal-IVRS Data from breaches and security incidents.
  - C.** Security Officer: The Participant shall designate a Security Officer to oversee its compliance with this Agreement and for communicating with CDPH on matters concerning this Agreement. Such designation is set forth in Attachment B to this Agreement, which is made a part of this Agreement by this reference.
- X.** Training: CDPH will provide training to Participant workforce members on the use of Cal-IVRS. The Participant shall provide training on its privacy and security obligations under this Agreement, at its own expense, to all of its workforce members who assist in the performance of Participant's obligations under this Agreement, or otherwise use or disclose Cal-IVRS Data.
- A.** The Participant shall require each workforce member who receives training to receive and sign a certification, indicating the workforce member's name and the date on which the training was completed.

**B.** The Participant shall retain each workforce member's written certifications for CDPH inspection for a period of three years following contract termination.

**XI.** Workforce Member Discipline: Participant shall discipline such workforce members who intentionally violate any provisions of this Agreement, including, if warranted, by termination of employment.

**XII.** Participant Breach and Security Incident Responsibilities:

**A.** Notification to CDPH of Breach or Security Incident: The Participant shall notify CDPH **immediately by telephone call plus email or fax** upon the discovery of a breach (as defined in this Agreement), **or within twenty-four (24) hours by email or fax** of the discovery of any security incident (as defined in this Agreement). Notification shall be provided to the CDPH Program Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XII(G), below. If the breach or security incident occurs after business hours or on a weekend or holiday and involves Cal-IVRS Data in electronic or computerized form, notification to CDPH shall be provided by calling the CDPH IT Service Desk at the telephone numbers listed in Section XII(G), below. For purposes of this Section, breaches and security incidents shall be treated as discovered by Participant as of the first day on which such breach or security incident is known to the Participant, or, by exercising reasonable diligence would have been known to the Participant. Participant shall be deemed to have knowledge of a breach or security incident if such breach or security incident is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach or security incident, who is a workforce member or agent of the Participant.

Participant shall take:

1. Prompt corrective action to mitigate any risks or damages involved with the breach or security incident and to protect the Cal-IVRS System operating environment; and,
2. Any action pertaining to a breach required by applicable federal or state laws, including, specifically, California Civil Code section 1798.29.

**B.** Investigation of Breach: The Participant shall immediately investigate such breach or security incident, and within seventy-two (72) hours of the discovery, shall inform the CDPH Program Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer of:

1. what data elements were involved and the extent of the data involved in the breach, including, specifically, the number of individuals whose personal information was breached; and
  2. a description of the unauthorized persons known or reasonably believed to have improperly used the Cal-IVRS Data and/or a description of the unauthorized persons known or reasonably believed to have improperly accessed or acquired the Cal-IVRS Data, or to whom it is known (or reasonably believed) to have had the Cal-IVRS Data improperly disclosed to them; and
  3. a description of where the Cal-IVRS Data is known or believed to have been improperly used or disclosed; and
  4. a description of the known or probable causes of the breach or security incident; and
  5. Whether Civil Code section 1798.29 or any other federal or state laws requiring individual notifications of breaches have been triggered.
- C. Written Report:** The Participant shall provide a written report of the investigation to the CDPH Program Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer within five (5) working days of the discovery of the breach or security incident. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the breach or security incident, and measures to be taken to prevent the recurrence of such breach or security incident.
- D. Notification to Individuals:** If notification to individuals whose information was breached is required under state or federal law, and regardless of whether Participant is considered only a custodian and/or non-owner of the Cal-IVRS Data, Participant shall, at its sole expense, and at the sole election of CDPH, either:
1. Make notification to the individuals affected by the breach (including substitute notification), pursuant to the content and timeliness provisions of such applicable state or federal breach notice laws. The CDPH Privacy Officer shall approve the time, manner and content of any such notifications, prior to the transmission of such notifications to the individual(s); or
  2. Cooperate with and assist CDPH in its notification (including substitute notification) to the individuals affected by the breach.

- E. Submission of Sample Notification to California Attorney General:** If notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29, Participant shall, at its sole expense, and at the sole election of CDPH, either:
1. Electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the California Attorney General pursuant to the format, content and timeliness provisions of section 1798.29, subdivision (e). Participant shall inform the CDPH Privacy Officer of the time, manner and content of any such submissions, prior to the transmission of such submissions to the Attorney General. Or
  2. Cooperate with and assist CDPH in its submission of a sample copy of the notification to the California Attorney General.
- F. Public Statements:** Participant shall cooperate with CDPH in developing content for any public statements regarding Breaches or Security Incidents related to Participant and shall not provide any public statements without the express written permission of CDPH. Requests for public statement(s) by any non-party about a breach or security incidents shall be directed to the CDPH Program Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XII(G), below.
- G. CDPH Contact Information:** To direct communications to the above referenced CDPH staff, the Participant shall initiate contact as indicated below. CDPH reserves the right to make changes to the contact information by giving written notice to the Participant. Said changes shall not require an amendment to this Agreement.

[This space intentionally left blank – Continued on next page.]

<b>CDPH Program Manager</b>	<b>CDPH Privacy Officer</b>	<b>CDPH Chief Information Security Officer (and CDPH IT Service Desk)</b>
<p>Tony Agurto                      Assistant Deputy Director                      California Department of Public Health                      Center for Health Statistics and Informatics                      3701 N. Freeway Blvd.                      P.O. Box 997410, MS 5000                      Sacramento, CA 95899-7410</p> <p>Email: <a href="mailto:Tony.Agurto@cdph.ca.gov">Tony.Agurto@cdph.ca.gov</a>                      Telephone: (916) 552-8098</p>	<p><b>Privacy Officer</b>                      Privacy Office,                      c/o Office of Legal Services                      California Department of Public Health                      1415 L Street, Suite 500                      Sacramento, CA 95814</p> <p>Email: <a href="mailto:privacy@cdph.ca.gov">privacy@cdph.ca.gov</a>                      Telephone: (877) 421-9634</p>	<p><b>Chief Information Security Officer</b>                      Information Security Office                      California Department of Public Health                      1616 Capitol Avenue                      P.O. Box 997413, MS 6300                      Sacramento, CA 95899-7413</p> <p>Email: <a href="mailto:cdphiso@cdph.ca.gov">cdphiso@cdph.ca.gov</a>                      Telephone: IT Service Desk                      (916) 440-7000 or                      (800) 579-0874</p>

- XIII.** CDPH Breach and Security Incident Responsibilities: CDPH shall notify Participant immediately by telephone call plus email or fax upon the discovery of a breach (as defined in this Agreement), or within twenty-four (24) hours by email or fax of the discovery of any security incident (as defined in this Agreement) that involves Cal-IVRS Data that was created or collected by Participant in the Cal-IVRS System. Notification shall be provided by CDPH to the Participant Representative, using the contact information listed in Attachment B to this Agreement.
- A.** For purposes of this Section, breaches and security incidents shall be treated as discovered by CDPH as of the first day on which such breach or security incident is known to CDPH, or, by exercising reasonable diligence would have been known to CDPH. CDPH shall be deemed to have knowledge of a breach or security incident if such breach or security incident is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach or security incident, who is a workforce member or agent of CDPH.
- B.** Participant Contact Information: To direct communications to the Participant's breach/security incident response staff, CDPH shall initiate contact as indicated by Participant in Attachment B. Participant's contact information must be provided to CDPH prior to execution of this Agreement. Participant reserves the right to make changes to the contact information in Attachment B. Such notice shall be provided to the CDPH Program Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer, using the contact information listed in Section XII(G), above. Said changes shall not require an amendment to this Agreement.
- XIV.** Indemnification: Participant shall indemnify, hold harmless and defend CDPH from and against any and all claims, losses, liabilities, damages, costs and other expenses (including attorneys' fees) that result from or arise directly or indirectly out of or in connection with any negligent act or omission or willful misconduct of Participant, its officers, workforce members or agents relative to the Cal-IVRS Data, including without limitation, any violations of Participant's responsibilities under this Agreement.
- XV.** Term of Agreement: Unless otherwise terminated earlier in accordance with the provisions set forth herein, this Agreement shall remain in effect for five (5) years after the latest signature date in the signature block below. After five (5) years, this Agreement will expire without further action. If the parties wish to extend this Agreement, they may do so by reviewing, updating, and reauthorizing this Agreement. If one or both of the parties wish to terminate this Agreement prematurely, they may do so upon 30 days' advance notice. CDPH may also terminate this Agreement pursuant to Sections XVI or XVII, below.
- XVI.** Termination for Cause:



- A. Termination upon Breach:** A breach by Participant of any provision of this Agreement, as determined by CDPH, shall constitute a material breach of the Agreement and grounds for immediate termination of the Agreement by CDPH. At its sole discretion, CDPH may give Participant 30 days to cure the breach.
- B. Judicial or Administrative Proceedings:** Participant will notify CDPH if it is named as a defendant in a criminal proceeding related to a violation of this Agreement. CDPH may terminate the Agreement if Participant is found guilty of a criminal violation related to a violation of this Agreement. CDPH may terminate the Agreement if a finding or stipulation that the Participant has violated any security or privacy laws is made in any administrative or civil proceeding in which the Participant is a party or has been joined.
- XVII. Amendment:** The parties acknowledge that Federal and State laws relating to information security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of Cal-IVRS Data. Upon CDPH's request, Participant agrees to promptly enter into negotiations with CDPH concerning an amendment to this Agreement embodying written assurances consistent with new standards and requirements imposed by regulations and other applicable laws. CDPH may terminate this Agreement upon thirty (30) days' written notice in the event:
- A.** Participant does not promptly enter into negotiations to amend this Agreement when requested by CDPH pursuant to this Section, or
- B.** Participant does not enter into an amendment providing assurances regarding the safeguarding of Cal-IVRS Data that CDPH in its sole discretion deems sufficient to satisfy the standards and requirements of applicable laws and regulations relating to the security or privacy of Cal-IVRS Data.
- XVIII. Assistance in Litigation or Administrative Proceedings:** Participant shall make itself and any workforce members or agents assisting Participant in the performance of its obligations under this Agreement available to CDPH at no cost to CDPH to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CDPH, its director, officers or workforce members based upon claimed violation of laws relating to security and privacy, which involves inactions or actions by the Participant, except where Participant or its workforce member or agent is a named adverse party.
- XIX. Disclaimer:** CDPH makes no warranty or representation that compliance by Participant with this Agreement will be adequate or satisfactory for Participant's own purposes or that any information in Participant's possession or control, or transmitted or received by Participant,

is or will be secure from unauthorized use or disclosure. Participant is solely responsible for all decisions made by Participant regarding the safeguarding of Cal-IVRS Data.

- XX.** Transfer of Rights: Participant has no right and shall not delegate, assign, or otherwise transfer or delegate any of its rights or obligations under this Agreement to any other person or entity. Any such transfer of rights shall be null and void.
- XXI.** No Third-Party Beneficiaries: Nothing express or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CDPH or Participant, any rights, remedies, obligations or liabilities whatsoever.
- XXII.** Interpretation: The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State and Federal laws. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with Federal and State laws.
- XXIII.** Survival: The respective rights and obligations of Participant under Sections VIII, IX, XII, XIII, and XVIII of this Agreement shall survive the termination or expiration of this Agreement.
- XXIV.** Attachments: The parties mutually agree that the following specified Attachments are part of this Agreement:
- A.** Attachment A: State Law Authority for: (1) Use and Disclosure of Cal-IVRS Data; and, (2) Application of HIPAA preemption exception for public health. (45 C.F.R. § 160.203(c).)
  - B.** Attachment B: Participant Breach and Security Incident Contact Information.
- XXV.** Entire Agreement: This Agreement, including all Attachments, constitutes the entire agreement between CDPH and Participant. Any and all modifications of this Agreement must be in writing and signed by all parties. Any oral representations or agreements between the parties shall be of no force or effect.
- XXVI.** Severability: The invalidity in whole or in part of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.
- XXVII.** Choice of Law and Venue: The laws of the state of California will govern any dispute from or relating to this Agreement. The parties submit to the exclusive jurisdiction of the state of California and federal courts for or in Sacramento and agree that any legal action or proceeding relating to the Agreement may only be brought in those courts.

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**XXVIII. Signatures:**

**IN WITNESS, WHEREOF, the Parties have executed this Agreement as follows:**

On behalf of the Participant, the \_\_\_\_\_ [name of local health department], the undersigned individual hereby attests that he or she is authorized to enter into this Agreement and agrees to abide by and enforce all the terms specified herein.

\_\_\_\_\_  
(Name of Representative of Participant)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature) (Date)

On behalf of CDPH, the undersigned individual hereby attests that he or she is authorized to enter into this Agreement and agrees to all the terms specified herein.

\_\_\_\_\_  
(Name of CDPH Representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature) (Date)

Return Executed Agreement to:

Cal-IVRS  
Attention: Support Desk  
MS 5103  
P.O. Box 997410  
Sacramento, CA 95899-7410  
FAX: 916-323-2299

## Attachment A

## Local Health Department Participant

## State Law Authority for:

(1) Use and Disclosure of Cal-IVRS Data; and,

(2) Application of HIPAA preemption exception for public health. (45 C.F.R. § 160.203(c).)

A. General Legal Authority:

## 1. California Information Practices Act:

- a. California Civil Code section 1798.24, subdivision (e), provides in part as follows: “No agency may disclose any personal information in a manner that would link the information disclosed to the individual to whom it pertains unless the information is disclosed, as follows: To a person, or to another agency where the transfer is necessary for the transferee agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected....”

B. Specific Legal Authority: Vital Records Collection, Use, and Dissemination

1. Division 102 of the California Health and Safety Code designates that the Director of CDPH is the State Registrar and such duties include the registration, preservation, and dissemination of all of California’s birth, death, and marriage records.
2. California Health and Safety Code section 102100 mandates the registration of each live birth, fetal death, death, and marriage that occurs in the state.
3. Division 102 of the California Health and Safety Code designates the health officer of any approved local health department or a person appointed by the State Registrar as the local registrar of birth and deaths which duties include the registration, preservation, dissemination, and transmittal to the State Registrar of the birth and death certificates within that health jurisdiction.
4. Pursuant to California Health and Safety Code section 102405, for live births that occur in a hospital, or a state-licensed alternative birth center, the attending physician and surgeon, certified nurse midwife, or principal attendant, or if the foregoing individuals are unavailable, the administrator of a hospital or center or a representative designated by the administrator in

writing shall be responsible for certifying the live birth and registering the certificate with the local registrar.

5. Pursuant to California Health and Safety Code sections 102780 and 102955, a funeral director, or if there is no funeral director, the person acting in lieu thereof, shall prepare the death or fetal death certificate and register it with the local registrar.
6. California Health and Safety Code section 102230 designates that the State Registrar “shall arrange and permanently preserve the [vital records] certificates in a systematic manner and shall prepare and maintain comprehensive and continuous indices of all certificates registered. Further, California Health and Safety Code section 102230 designates that the State Registrar, at his or her discretion, may release comprehensive birth and death indices to a government agency. A government agency that obtains indices shall not sell or release the index or a portion of its contents to another person except as necessary for official government business and shall not post the indices or any portion thereof on the Internet.
7. Pursuant to California Health and Safety Code section 102430, subdivision (a), the second section of the certificate of live birth as specified in subdivision (b) of California Health and Safety Code section 102425, the electronic file of birth information collected pursuant to subparagraphs (B) to (F), inclusive, of paragraph (2) of subdivision (a) of California Health and Safety Code section 102426, and the second section of the certificate of fetal death as specified in California Health and Safety Code section 103025, are confidential; however, access to this information is authorized for the following: local registrar’s staff and local health department staff (when approved by the local registrar or local health officer, respectively), the county coroner, and the birth hospital responsible for preparing and submitting a record of the birth or fetal death for purposes of reviewing and correcting birth or fetal death records.
8. Pursuant to California Health and Safety Code section 103526, subdivision (c)(2)(C), authorized copies of birth and death certificates may be obtained by a representative of another governmental agency, as provided by law, who is conducting official business.

Attachment B

Participant Breach and Security Incident Contact Information.

The following Participant contact information must be included in the executed Agreement

<b>Participant Program Manager</b>	<b>Participant Privacy Officer</b>	<b>Participant Chief Information Security Officer (and IT Service Desk)</b>
[Name]	[Name]	[Name]
[Title]	[Title]	[Title]
[Address]	[Address]	[Address]
[Address 2]	[Address 2]	[Address 2]
[City]	[City]	[City]
[State, Zip Code]	[State, Zip Code]	[State, Zip Code]
[Telephone]	[Telephone]	[Telephone]
[Fax]	[Fax]	[Fax]
[E-mail]	[E-mail]	[E-mail]



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Public Works Department – Kevin McAlister

**SUBJECT:** POWER OF ATTORNEY TO AUTHORIZE SIGNATURE ON DEALER  
REPORT OF SALE – HUMAN SERVICES AGENCY MODULAR PROJECT

**SUMMARY:**

**Overview:**

It is necessary to transfer title to the modular units that make up the new Human Services Agency (HSA) 2 Story Modular building. Due to reporting and documentation regulations, it is more convenient and efficient to allow the vendor to sign on behalf of the County.

**Recommendation:**

Authorize the Director of Public Works to sign a limited Power of Attorney granting American Modular Concepts, Inc. the authority to sign the Dealer Report of Sale or Lease for submission to the Department of Housing and Community Development for the Human Services Agency 2 Story Modular Building.

**Fiscal Impact:**

There is no associated cost to the County for this action as it is considered part of the conditions of the construction agreement.

**BACKGROUND:**

The new HSA two story building consists of some 30 individual module units. The construction of these units is governed by regulations from the Department of Housing and Community Development. It is necessary to file paperwork transferring title of these units from the manufacturer, Silver Creek Industries, to the County. Three copies are required to be signed, and one must remain in the manufacturer's Dealer Report of Sale Book, which cannot leave their office. Short of driving to Victorville to sign the documents, it is recommended that the Public Works Director be authorized to sign a Power of Attorney allowing American Modular Concepts to sign on behalf of the County.

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk to the Board

By \_\_\_\_\_, Deputy.



STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF CODES AND STANDARDS  
REGISTRATION AND TITLING PROGRAM



**POWER OF ATTORNEY**

**SECTION I. DESCRIPTION OF UNIT**

This unit is a:

Manufactured Home/Mobilehome  Commercial Modular  Floating Home  Truck Camper

The Decal (License) No.(s) of the unit is: N/A

The Trade Name of the unit is: SCI

The Serial No.(s) of the unit is: SCI -00977-1240 -1 Through SCI -00977-1240-30

**SECTION II. APPOINTMENT OF ATTORNEY-IN-FACT**

To the Department of Housing and Community Development, and to whom it may concern:  
(PRINT FULL NAME)

I, \_\_\_\_\_  
(Last) (First) (Middle)

I, \_\_\_\_\_  
(Last) (First) (Middle)

I, \_\_\_\_\_  
(Last) (First) (Middle)

the undersigned do hereby duly appoint the following named person, \_\_\_\_\_

to act as my attorney in fact, only to sign papers and documents that may be necessary in order to secure California registration of or to transfer my interest in the above described unit.

**SECTION III. ASSIGNOR'S CERTIFICATION**

I agree to guarantee and save harmless the State of California and the Director of Housing and Community Development from all responsibility which might accrue from the issuance of California registration or transfer of such unit.

**NOTE:** An attorney in fact cannot make an affidavit or certificate of the truth of facts unknown to him.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Human Services Agency – Sanja Bugay  
Child Abuse Prevention Coordinating Council – Julia Patino/Trish Shubert

**SUBJECT:** UPDATE REGARDING ANNUAL KIDS DAY EVENT

**SUMMARY:**

**Overview:**

On April 3, 2018, the Board adopted a Resolution No. 18-027, designating April 2018 as Child Abuse Prevention Month in Kings County honoring local service providers as well as bringing awareness to the social issues of child abuse and neglect.

**Recommendation:**

Receive an update on the Walk Against Child Abuse and the Annual Kids Day event which took place on April 28, 2018 in Kings County.

**Fiscal Impact:**

None.

**BACKGROUND:**

April was first declared Child Abuse Prevention Month by presidential proclamation in 1983. Since then, April has been a time to acknowledge the importance of families and communities working together to prevent child abuse. This is also a time to promote the social and emotional well-being of children and families.

During the month of April and throughout the year, communities are encouraged to share child abuse and neglect prevention awareness strategies and activities to promote prevention across the country. On April 3, 2018, the Board adopted Resolution No. 18-027 designating April as Child Abuse Prevention Awareness Month in Kings County honoring local service providers as well as bringing awareness to the social issues of

(Cont'd)

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_, Deputy.

## **Agenda Item**

### **UPDATE REGARDING ANNUAL KIDS DAY EVENT**

**May 15, 2018**

**Page 2 of 2**

child abuse and neglect. The resolution outlined several events scheduled during the month of April in Kings County to help raise awareness for the cause. Mentioned in the resolution was a Walk Against Child Abuse and the Annual Kids Day event which took place on April 28, 2018.

Approximately 56 participants in the walk were escorted by the Hanford Police Department wearing blue, carrying sign, and balloons. Both events were well attended reaching well over 500 individuals. During the Kids Day event participants were given bingo game cards to be marked off at all the stations they visited, and there were more than 115 game cards returned. Each game card represented a household. On the back of the cards feedback information was requested. Feedback included information regarding the number of adults in the household, the number of children in the household, zip code and feedback for future events. Information was obtained on behalf of 273 adults and 235 children.

In addition, there were more than 30 vendors from the community representing the partnerships in Kings County. Each vendor offered a learning experience and/or game and craft activity for the children.

Additional stakeholder feedback surveys were received from 23 vendors. Surveys included information on what would motivate people to get involved in the community, areas of current involvement, and any interest in the listed items such as attending meetings, speaking at the Board of Supervisors, attending groups, attending similar events, messaging purpose/vision and other related skills.

The Child Abuse Prevention Coordinating Council appreciates the community partnerships and numerous governmental, local businesses, and community based organizations that have made the 2018 Kids Day event a success. For more information on any of these events or on Child Abuse Prevention in Kings County, please contact Trish Shubert at (559) 852-2211.



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15<sup>th</sup> 2018

**SUBMITTED BY:** Human Services Agency – Sanja Bugay/Shannon Tolbert/Fil Leanos  
**SUBJECT:** SECOND AMENDMENT TO AGREEMENT WITH CHAMPIONS FOR THE  
WHOLE PERSON CARE PILOT PROGRAM

**SUMMARY:**

**Overview:**

The Human Services Agency (HSA) is requesting approval to amend the current Board Agreement No. #17-087 with Champions to enable Kings County Area Resources and Enhanced Linkages (KARELink) to revise the language in the current contract agreement to extend the agreement to the end of the Whole Person Care (WPC) Pilot.

**Recommendation:**

**Authorize the Chairman to sign the second amendment to Agreement Number 17-087 with Champions to extend their services for the Whole Person Care Pilot Program through December 31, 2021.**

**Fiscal Impact:**

There will be no fiscal impact to the County General Fund. The total Whole Person Care budget amount of \$6,488,640 covering the Whole Person Care Pilot project years 2017-2021 will be funded by the Department of Health Care Services, state Mental Health Services Act, and 1991 Realignment funds.

**BACKGROUND:**

On August 15, 2017, the Board approved the agreement with Champions in relation to the WPC Pilot Program (Board Agreement No. #17-087). The original agreement was scheduled to end on June 30, 2018. The purpose of extending the current existing contract until the end of the Whole Person Care Pilot Project ending December 31, 2021, is to ensure a seamless and continuum of coordinated care services to the target population being served and to align this agreement with other contractual agreements.

The agreement has been reviewed and approved by County Counsel.

BOARD ACTION:

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_

SECOND AMENDMENT TO AGREEMENT BETWEEN  
COUNTY OF KINGS AND CHAMPIONS

This second amendment to that Agreement commencing on August 15, 2017, ("Amendment II") is made on the date of April 24<sup>th</sup> 2018, by and between the County of Kings ("County") and Champions Recovery Alternative Program, Inc. ("Contractor") upon the following terms and conditions:

RECITALS

WHEREAS, the County and Contractor entered into that certain Agreement numbered 17-087 and commencing on August 15, 2017, for services to meet outcomes for Whole Person Care Pilot; and

WHEREAS, as set forth in section 6 Changes and Amendments, the Parties may modify the Agreement by a signed, written document; and

WHEREAS, the Parties intend to modify this Agreement to reflect changes in section 3 Compensation, section 5 Time of Performance, and Exhibit B Operating Budget.

NOW, THEREFORE, the parties agree as follows:

1. Section 3 Compensation shall be amended as follows:

3. COMPENSATION

Contractor shall not be entitled to nor receive from County any additional consideration, compensation, or other remuneration for services rendered under this Agreement except that as set forth in **Exhibit B**.

All funds provided under this Agreement must be completely expended by December 31<sup>st</sup> 2021. The parties acknowledge and agree that the County's obligation to make payments to Contractor is contingent upon receipt of funds from Department of Health Care Services (DHCS). Both program activities and funding allocations are subject to immediate reduction or termination in the event of the reduction or termination of funding or authorization.

Contractor shall not exceed the annual budget maximum, set forth in Exhibit B, as determined by the Whole Person Care Pilot Local Advisory Committee and subject to revision by the Director of County Human Services Agency. Further, Contractor shall not exceed the cumulative total budget maximum of \$6,488,640 for the Whole Person Care Pilot from July 2017 through December 2021, and as determined by the Whole Person Care Pilot Local Advisory Committee and subject to revision by the Director of the County Human Services Agency.

2. Section 5 Time of Performance shall be amended as follows:

5. TIME OF PERFORMANCE

This Agreement shall remain in full force and effect from July 1, 2017, to December 31, 2021.

Work will not begin, nor claims paid for services under this Agreement until all Certificates of Insurance, a Signing Authority Form, By-Laws, Business and Professional Licenses/Certificates, Verification of on-Profit status, IRS ID number or other applicable licenses or certificates, as required, are on file with County's representative.

3. Exhibit B shall be replaced with First Revised Exhibit B attached hereto and incorporated herein as though fully set forth. Any reference throughout the Agreement or its Exhibits to "Exhibit B" shall be replaced with "First Revised Exhibit B".
4. The recitals are an integral part of this Amendment and are incorporated herein.
5. All other terms and conditions of the Agreement and Amendment I to the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment II to Agreement to be executed on the day and year first written above.

COUNTY OF KINGS

By: \_\_\_\_\_  
Richard Valle, Chairman  
Kings County Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
Catherine Venturella, Clerk of the Board

APPROVED AS TO FORM:  
Colleen Carlson, County Counsel

By: \_\_\_\_\_  
Juliana F Gmur  
Assistant County Counsel

CONTRACTOR

By: \_\_\_\_\_  
Crystal Hernandez, Executive Director  
Champions

RECOMMENDED:

By: \_\_\_\_\_  
Sanja K. Bugay, Director  
Human Services Agency



**FIRST REVISED  
EXHIBIT B  
Operating Budget**

The costs associated with rendering services as described herein will be determined as follows:

**PMPM (Per member, per month) Bundles**

Coordinated Care Bundle – A monthly amount per enrollee to compensate for the following expenses associated with coordinated care: case manager, life skills facilitators, job navigator, office assistant, engagement/training materials, curriculum supplies, potential customer support costs including transportation vouchers, and indirect costs. Amount per bundle is \$526 with a cap set at \$757,440 annually.

Housing Navigator Bundle – A monthly amount per enrollee to compensate for the following expenses associated with housing stability include: housing navigator, office assistant, potential customer support costs including court fees, engagement materials, and indirect costs. Amount per bundle is \$157 with a cap set at \$75,360 annually.

**FFS (Fee for Service)**

Engagement – A prorated amount to cover the time of a clinician to each assessment conducted on a client in the pilot. The total amount is \$93 with a cap set at \$133,920 annually.

Social Model Detox Bed – Amount determined by staff and materials needed on a per night basis for a bed within the Contractor's network of services. The nightly cost is \$150 with the cap set at \$433,200 annually.

**Cost Reimbursement**

Staff Training – actual cost reimbursement for the cost of training the new staff as they are hired regarding the program details and implementation of the program. The cap is set at \$21,000 annually.

Community Engagement – actual costs of doing community outreach for the potential referral sources on the target population, services available, and how to refer. The cap is set at \$21,000 annually.

## **Payment Advance**

To ensure proper staffing at implementation of this pilot, Contractor will be allowed up to a 20% advance on the total FY 2017/2018 budget to be used for hiring of staff to be ready for a soft opening of the program on 9/1/2017. The total FY 2017/2018 budget is \$1,441,920.00. The advance payment shall not exceed \$288,384.00. The advanced amount will begin to be audited with the January 2018 claims. The advanced amount will be prorated for the remaining six months of the budget not to exceed \$48,064.00 per month.

## **Incentives**

LAC Incentive – Contractor will be eligible to a total of \$5,000.00 for FY 2017/2018 for LAC participation. Incentives will be paid out as follows dependent upon the participation Contractor establishes at the monthly LAC meetings for the fiscal year as demonstrated by identifying barriers as well as resolutions to that barriers and participating in the Plan-Do-Study-Act process. The Plan-Do-Study-Act is a continual process used to evaluate the pilot in which the LAC will (Plan) Plan for improvement, (Do) Implement the plan, (Study) Evaluate the plan & analyze the data, and (Act) Determine if there additional improvements. Participation at 25% of the meetings will result in 25% of the possible max payment. Participation at 50% is the threshold for the next payment step increase of the max payment. 75% participation is the next step increase. 100% participation is the last step increase.

Pay for Reporting – Contractor will provide the necessary data to measure the success of the pilot as well as the ongoing data needed for the Plan-Do-Study-Act measures to be done by the LAC. The required data will be submitted to the WPC Program Specialist on the approved template used with this Agreement. (See Activity Report Attachment 1 to exhibit A.) The reports are to be submitted by the 15th of every month. This payment will be provided to Contractor after the submission of the Semi-Annual and Annual Reports. The total maximum available to be received for reporting is \$34,360.00 for FY2017/2018.

Pay for Outcomes – Contractor is eligible to a payment for reaching their yearly goals as established in the pilot which is to decrease jail recidivism by 10% each year. This outcome is measured by the ratio of clients that were incarcerated during that project year by the total number of clients for the year. The baseline was set by DA at 75% of those incarcerated are return offenders. The one time payment available after submission of the Annual Report is \$28,000 for FY2017/2018.





# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Behavioral Health Department –Lisa Lewis/UnChong Parry

**SUBJECT:** NEW POSITION ALLOCATIONS REQUEST

**SUMMARY:**

**Overview:**

Behavioral Health is seeking approval of three (3) new position allocations, 2.0 full time equivalent (FTE) Licensed Mental Health Clinicians and 1.0 FTE Office Assistant III to facilitate the implementation of the County’s Quality Assurance services, and to provide new services to Human Services Agency (HSA).

**Recommendation:**

**Allocate 2.0 full time equivalent Licensed Mental Health Clinician positions and 1.0 full time equivalent Office Assistant III to implement the County’s Quality Assurance Services, and to provide new services to Human Services Agency.**

**Fiscal Impact:**

There will be no additional cost to the County General Fund. Funding of all three (3) positions are included in the Fiscal Year 2017/2018 budget in budget units 422200 (Behavioral Health Mental Health Services Act) and 422500 (Behavioral Health Administration).

**BACKGROUND:**

On April 10, 2018, the Director of Behavioral Health presented a study session to your Board outlining the County’s Managed Care requirements as a County Mental Health Plan and Substance Use Disorder Treatment Administrator, provided a structural overview of the Kings County Behavioral Health Department (KCBH), as well as an update on upcoming projects. The study session also included the explanation of these three positions. One of the requested Licensed Mental Health Clinicians and the Office Assistant III position are a part of the Quality Assurance team.

(Cont’d)

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk to the Board

By \_\_\_\_\_, Deputy.

## **Agenda Item**

### **NEW POSITION ALLOCATIONS REQUEST**

**May 15, 2018**

**Page 2 of 2**

The Quality Assurance team will provide oversight of a growing and multifaceted team of service providers. In addition to the California's specialty mental health services (SMHS) services provided by Kings View, the children's system of care has added a new contractor, Aspiranet, to provide the highest level of Full Service Partnership (FSP) and Wraparound (WRAP) services required by children in the foster care system, and children who meet the criteria for FSP services. Additionally, in the adult system of care, KCBH has selected the contract provider to deliver Assertive Community Treatment (ACT) services to our highest risk and highest need consumers. KCBH has collaborated with the Sheriff's Office, Probation Department, HSA, Health Department and local health care providers such as Adventist Health to assist in the selection of the contracted provider.

The other requested Licensed Mental Health Clinician will provide new services to HSA. KCBH has been working closely with HSA to create a new process for mental health and substance use disorder screening, assessment and mental health treatment for their adult customers. The Departments have designed a process wherein KCBH will screen and assess adults referred by HSA. If the adult meets medical necessity, they will be referred to a County contracted provider who is authorized to bill Medi-Cal. If the adult does not meet medical necessity, KCBH will provide short term therapeutic services. This position will be 100% funded by HSA.

**WAIVER OF LIABILITY FOR USE OF THE COUNTY OF KINGS'  
INMATE CAR WASHING AND DETAILING PROGRAM**

Individuals wishing to use the County of Kings' ("County") Inmate Car Washing and Detailing Program ("Program") must complete and sign the below waiver prior to use. Failure to complete and sign this waiver will result in a denial of access to said program.

I, \_\_\_\_\_, affirm that I am the legal owner or possessor of the vehicle about to be serviced by the Program and understand and agree that my use of the Program is entirely at my own risk. I further understand and agree that this includes waiving my right to:

- 1) Submit or make a claim on any basis, including a claim on the basis of lack of supervision, against the County, its officers, elected officials, officials, employees, agents, or volunteers for any damage caused to my vehicle or items missing or damaged therein following my use of the Program; and
- 2) Submit or make a claim on any basis against an in-custody individual (i.e., inmate) working on my vehicle for damage caused to my vehicle or items missing or damaged therein, except for reporting the damage or missing or damaged items to law enforcement for investigation into possible criminal activities.

I further understand and agree that I will remove all identifying papers from my vehicle prior to service. \_\_\_\_\_ (initials)

I hereby release the County, its elected officials, officers, employees, agents, and volunteers from any responsibility or liability for any damage to my vehicle, loss of or damage to items from my vehicle, or loss of income or time incurred as a result of addressing or fixing damages to my vehicle or losses incurred therein as a result of my use of the Program.

In the event another party or individual with a legal right to my vehicle or the contents therein makes or submits a claim for damages to said vehicle or the loss of or damage to any items therein, I further agree to defend, hold harmless, and indemnify the County, its elected officials, officers, employees, agents, and volunteers against any and all such claims, suits, actions, costs, expenses, damages, judgments, or decrees, including the cost of reasonable attorney's fees.

Dated: \_\_\_\_\_

Print Name: \_\_\_\_\_

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



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Administration- Rebecca Campbell

**SUBJECT:** NEW APPOINTMENT TO THE CITIZENS ADVISORY COMMITTEE FOR THE  
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

**SUMMARY:**

**Overview:**

The Maddy Local Appointive List Act of 1975, states that whenever vacancies occur in any board, commission or committee for which the legislative body has the appointing power, a vacancy notice shall be posted in the office of the clerk of the local agency and local library. The legislative body shall not make final appointment to the board or commission for at least 10 working days after the posting of the notice as required, and the 10 day waiting requirement was met on January 10, 2018. The local appointment listing was posted at the County Government Center and at the Hanford Library on December 22, 2017 and the Hanford Sentinel received a copy as a courtesy.

**Recommendation:**

**Pursuant to Board policy, the Administrative Office makes no recommendation on commission and advisory board appointments.**

**Fiscal Impact:**

None.

**Advisory Board Statement:**

The Committee coordinator recommends Timothy Parcel for appointment.

**BACKGROUND:**

Mr. Parcel has expressed his willingness to serve on the Board and no other applications have been received. His appointment is supported by the committee coordinator. The appointment of the member today will fill a term expiring January 21, 2021.

**BOARD ACTION :**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_, Deputy.



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Community Development Agency – Greg Gatzka / Chuck Kinney

**SUBJECT:** PUBLIC HEARING – PROPOSED UPDATES TO THE KINGS COUNTY FIRST-TIME HOMEBUYER PROGRAM GUIDELINES

### **SUMMARY:**

#### **Overview:**

Kings County has established Program Guidelines that govern the administration of its First-Time Homebuyer Program. The County has received funding from the State Department of Housing and Community Development (HCD) CalHome Program, Community Development Block Grant (CDBG) Program and Home Investment Partnerships Program (HOME) to implement this program. The proposed update of the Guidelines is necessary to comply with new or revised requirements of the HOME Program.

#### **Recommendation:**

1. Conduct a public hearing for the proposed updates to the Kings County First-Time Homebuyer; and
2. Adopt a resolution authorizing updates to the Kings County First-Time Homebuyer Program Guidelines.

#### **Fiscal Impact:**

None

### **BACKGROUND:**

The updates to the First-Time Homebuyer Program Guidelines are minor in nature, but are required by HCD. These changes include updates and additions to:

(Cont'd)

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk of the Board

By \_\_\_\_\_, Deputy.

## **Agenda Item**

### **PUBLIC HEARING – PROPOSED UPDATES TO THE KINGS COUNTY FIRST-TIME HOMEBUYER PROGRAM GUIDELINES**

**May 15, 2018**

**Page 2 of 2**

- Annual Income Inclusions/Exclusions;
- HCD internet links;
- Purchase Price/After Rehab Value Limits;
- HOME Subsidy Limits;
- Income Limits;
- Overcrowding Standards; and
- Minor changes for purposes of clarification (e.g., sentence structure, word choice).

Since the Guidelines include the use of CDBG funds, it is necessary to comply with the CDBG Program's requirement to conduct a public hearing on all CDBG-related matters. The purpose of the public hearing is to provide for and encourage citizen participation, particularly by low- and moderate-income persons who reside in areas in which CDBG funds are used.

A public hearing notice was published in the Hanford Sentinel on May 4, 2018. This item has been reviewed by County Counsel and the Community Development Agency. Program Guideline Updates are on file with the Clerk of the Board for viewing.

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF KINGS, STATE OF CALIFORNIA

IN THE MATTER OF AUTHORIZING THE  
KINGS COUNTY BOARD OF SUPERVISORS  
TO APPROVE UPDATES TO THE COUNTY'S  
FIRST-TIME HOMEBUYER PROGRAM  
GUIDELINES \_\_\_\_\_/

RESOLUTION NO. \_\_\_\_\_

WHEREAS, on May 4, 2018 a Notice of Public Hearing was published in the Hanford Sentinel as required by law; and

WHEREAS, on May 15, 2018, the County held a Public Hearing to allow the citizens of the County the opportunity to review and make comments on updates to the First-Time Homebuyer Program Guidelines; and

WHEREAS, Staff presented a report to the Board of Supervisors and advised the public of a recommendation to approve updates to the First-Time Homebuyer Program Guidelines; and

WHEREAS, the Board of Supervisors of the County of Kings hereby does approve the updates to the County of Kings First-Time Program Guidelines for the CalHome Program, Community Development Block Grant (CDBG) Program and Home Investment Partnerships Program (HOME) as shown in Exhibit "A".

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. The Kings County Board of Supervisors approves the updates to the First-Time Homebuyer Program Guidelines.

The foregoing resolution was adopted upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_ at a regular meeting held on the 15<sup>th</sup> day of May, 2018, by the following vote:

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
Chairman  
Board of Supervisors, County of Kings

IN WITNESS WHEREOF, I have set my hand this 15<sup>th</sup> day of May, 2018.

\_\_\_\_\_  
Deputy Clerk of said Board of Supervisors

# County of Kings

## Homebuyer Acquisition Only/ Acquisition with Rehabilitation Program Guidelines

For:

CalHome Program  
Community Development Block Grant  
(CDBG) Program and  
HOME Investment Partnerships Program

Serving the  
County of Kings

Ver. ~~2017~~2018.1  
~~CDBG Approved 5/16/17~~  
pending HOME Approval  
~~pending~~ CalHome ~~Approved 11/17/11~~ Approval



# HOMEBUYER PROGRAM GUIDELINES

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## COUNTY OF KINGS

### HOMEBUYER PROGRAM GUIDELINES

#### 1.0. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor,” has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded homebuyer ~~Programs~~programs. The homebuyer ~~Program~~program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by Self-Help Enterprises, (the “Program Operator”).

#### 1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender logo and Accessibility logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program will sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
- B. The Program Operator will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise

qualified individual, solely by reason of disability, from participation under any Program program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

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## 1.2. APPLICATION PROCESS AND SELECTION

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A. The Sponsor maintains a waiting list of applicants. When applicants are placed on the list, they are sent a Program Brochure and Instructions to Home Buyer (Attachment G) and directed to the Program Operator's HUD and CalHome approved Homebuyer Counseling and Education Program. Each applicant must participate in the Homebuyer Counseling and Education Program and receive a certificate of completion to be eligible for the Sponsor's Homebuyer Program.

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B. Once the applicant's name comes to the top of the waiting list, a phone interview is conducted to gather sufficient information concerning household size and composition, income, employment, and credit history to establish preliminary eligibility for Program participation. The potential homebuyer is advised to interview and compare lenders to start the pre-qualification process for a primary loan. Potential homebuyers are advised that funds will be available on a first-come, first-served basis upon receipt of a complete application package and pre-qualification letter from the applicant's primary lender.

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C. The Program Operator will provide an income and asset form, submission form, and lender cover letter to the potential homebuyer's primary lender for completion. In addition to these documents, the primary lender must submit a complete application package and pre-qualification letter to the Program Operator on behalf of the applicant. Completed applications are processed on a first-come, first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification information is included. Incomplete applications are returned to the primary lender and will not be date/time stamped until complete.

D. Upon receipt of a complete application package, the Program Operator will confirm Program eligibility of the potential homebuyer. Upon eligibility confirmation, the Program Operator will send both the potential homebuyer and primary lender the following documents: pre-qualification letter, mortgage commitment letter with a list of conditions, Sellers Lead-Based Paint (LBP) Disclosure (Attachment E), and Notice to Seller (Attachment F). In the event the potential homebuyer is found to be ineligible, the applicant will receive a denial letter with an explanation of the reason(s) for denial and the appeal process.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this eventcase, the applicant will receive a denial letter with an explanation and may reply after six months have elapsed from the time of written assistance denial.

E. The potential homebuyer is given 90 days in order to find a qualified home. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

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**1.3. THE HOME PURCHASE PROCESS**

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A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

<b>DEBT SERVICE</b>		
<b>FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH</b>		
<b>HOUSING PAYMENTS</b>		<b>TOTAL OVERALL PAYMENTS</b>
Principal & Interest Payment	\$ 865	\$1,180 Housing
Insurance	82	+200 Other Debt Service
Taxes	<u>233</u>	\$1,380 Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388)
(PITI is 35% of \$3,388)		
<b>OTHER HOUSEHOLD DEBT SERVICE</b>		
Car Payment	\$ 150	
Credit Card Payment	<u>50</u>	
Total Other Debt	\$ 200	

A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.

<b>SUBSIDY CALCULATION</b>	
<b>FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH</b>	
Purchase Price of Property	\$ 280,000
Less Primary loan amount*	<b>143,000</b>
Less down payment of 1%	<u>2,800</u>
<b>Equals "GAP"</b>	<b>\$ 134,200</b>
Plus estimated allowable settlement charges	<u>8,400</u>
<b>Equals Total Subsidy</b>	<b>\$ 142,600</b>

\*Primary loan amount must be the maximum amount for which the family can qualify.

B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:

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- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
- 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
- 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
- 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
- 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
- 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission of the purchase offer.
- 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.

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- C. Applicant submits executed standard form, purchase and sale agreement, and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.

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- D. Program Operator, where Program Operator is not the Sponsor, submits recommendation to the Sponsor for approval or denial, including the reasons for the recommendation. Sponsor determines Applicant's approval or denial, and instructs Program Operator to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.

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- E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.

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- F. At the time of escrow closing, the Sponsor shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the Sponsor as insured is also required.

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#### 1.4. HOMEBUYER COSTS

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- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the Sponsor. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.

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B. Homebuyer funds shall be used in the following order:

- 1) Down payment – Homebuyer must contribute a minimum down payment of one percent (1%) of the purchase price, but may contribute more, if desired.
- 2) To the extent possible after satisfying 1), above, appraisal fee; cost of credit report; the loan origination fee; discount points; customary homebuyer closing costs; homebuyer’s customary portion of the escrow fees; title insurance; and, the establishment of impound accounts for property taxes and insurance.

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- 3) After 1) and 2), above, are satisfied, any balance of homebuyer funds may be applied either to the purchase price or to reduce the interest rate of the primary loan as necessary.

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C. If the items in B.2), above cannot be satisfied with homebuyer funds, the Sponsor will provide additional Program loan assistance to cover the remaining balance.

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D. ~~Sponsor will not provide more than fifty percent (50%) of the acquisition cost (purchase price plus all closing costs). Sponsor may also provide sufficient assistance, as Program loan principal, to reduce the monthly payments for PITI to an affordable level of household income. The subsidy will write down~~reduce the ~~cost~~amount of the primary lender’s loan so that the ~~payments~~payment of ~~PITI~~monthly housing costs are within approximately 25% to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program’s loan to make sure that it conforms to the requirements of the HCD funding Program. The Sponsor’s subsidy cannot exceed fifty percent (50%) of the acquisition costs (purchase price plus all closing costs).

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E. Sponsor’s subsidy cannot exceed the amount of the primary mortgage.

#### 1.5. INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM – For CDBG Only

The Individual Development Account (IDA) Program is designed to assist participants in developing a savings pattern and eventually in purchasing a lasting asset, in the form of funds saved for Homebuyer down payments and closing costs.

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- A. To receive IDA Program approval, each participant must be employed and receiving “earned income”.
- B. Following approval, Self-Help Enterprises (the “IDA Program Operator”) will open an account at the IDA approved partner bank.
- C. Enrollment in the IDA Program is considered complete once each participant completes a mandatory nine (9) hours of Financial Fitness Education. This includes a two (2) hour session with a banker which occurs during their first visit to make their initial bank deposit. Each participant must also complete eight (8) hours of Homebuyer Counseling and Education within six (6) months of enrollment.
- D. Each participant is required to make a minimum monthly deposit of twenty-five dollars (\$25) into the savings account established by the IDA Program Operator. The minimum length of participation in the IDA Program is six (6) months and the participant may not miss more than three (3) deposits within a twelve (12) month period.

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- E. Each participant will receive a 3:1 match up to the first \$1,000 of their savings. There is a maximum of three thousand dollars (\$3,000) match per participant and six thousand dollars (\$6,000) match per household. The maximum three thousand dollars (\$3,000) match funds are made up of one thousand five hundred dollars (\$1,500) in Federal Funds from California Coalition of Rural Housing (CCRH) and one thousand five hundred dollars (\$1,500) Non-Federal Funds from Sponsor.
- F. Participants will receive quarterly account updates showing the amount of matching funds earned.
- G. Matching funds, that are not CDBG funds, will remain in the project reserve account until a property has been located, escrow is opened, and a withdrawal request has been approved; at which time, funds will be sent directly to escrow on behalf of the participant.
- H. All match funds must be used to purchase a home. Any unused match funds will be applied as a principal reduction. If a participant terminates their IDA involvement prior to purchasing a home, the participant will only have access to the funds they have deposited. If a participant closes the savings account established by the IDA Program Operator, IDA Program involvement will be considered terminated.

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## 1.6. HOMEBUYER EDUCATION

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Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: online education, one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

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## 1.7. CONFLICT OF INTEREST REQUIREMENTS

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When the Sponsor's Program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Sections 570.489 (h) and 570.611, as well as 18 U.S. Code Section 208 shall be followed for CDBG assistance, and for CalHome-funded programs, the applicable Conflict of Interest requirements of Public Contract Code sections 10410, 10411, and 10430 (e) shall be followed.

For HOME assistance, Section 92.356 of the HOME Final Rule shall be followed, as follows:

- (a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit



from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation ~~job~~project. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the ~~job~~project. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

## 1.8. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any Program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

## 2.0 APPLICANT QUALIFICATIONS

### 2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD Program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. (Attachment C)

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The link to the official HCD maintained income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

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**Household:** Means one or more persons who will occupy a housing unit. For HOME and CDBG, unborn children count in family size determination. For CalHome, unborn children are not counted.

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

## 2.2. INCOME QUALIFICATION CRITERIA

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Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD Program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

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### A. HOUSEHOLD INCOME DEFINITION:

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Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine Program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Attachment A for HOME and CDBG. See Attachment A-1 for CalHome.** For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

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~~For HOME and CDBG, the link to~~ **See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions is:** <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB-AnnualIncomeInclusionsExclusions.doc>

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### B. ASSETS:

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There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g.*

*interest on a savings account – not the asset value, which is counted in annual income.) See Attachment B.*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings and costs for selling real property. For HOME and CDBG, the cash value (rather than the market value) of an item is counted as an asset. For CalHome, the market value of an item is counted as an asset.

~~For HOME and CDBG, the Link to See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions is;~~  
~~[http://www.hed.ca.gov/grants\\_funding/income\\_limits/income\\_calculation\\_and\\_determination\\_guide/docs/AppendixB\\_AnnualIncomeInclusionsExclusions.doc](http://www.hed.ca.gov/grants_funding/income_limits/income_calculation_and_determination_guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc)~~

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### 2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

~~An~~For CDBG, an eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all homebuyers. CDBG-funded Programs may assist eligible homebuyers who are not "first-time" homebuyers.

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HOME and CalHome-funded Programs are required to use the following definition of an eligible homebuyer, which is a "first-time homebuyer" from 8201(l) Title 25 California Code of Regulations:

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"First-time homebuyer" means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

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- 1) a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
- 2) a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
- 3) an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
  - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
  - b. not in compliance with state, local, or model building codes and cannot be brought

into compliance with such codes for less than the cost of constructing a permanent structure.

### 3.0. HOUSING UNIT ELIGIBILITY

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#### 3.1. LOCATION AND CHARACTERISTICS

A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the unincorporated Kings County areas.”

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B. Housing unit types eligible for the Homebuyer Program are new or previously owned single-family residences, condominiums, or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.

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C. For HOME-funded Programs, housing must be “modest”, having no more than three bedrooms, two bathrooms, and a two-car garage. Larger homes are acceptable if necessary for the following reasons:

- The family size necessitates additional bedroom(s)/bathroom(s), or;
- A reasonable accommodation is necessary due to the family’s disability (e.g. an extra bedroom for an aide).

Exceptions for these reasons must be approved by the Loan Review Committee and must be documented for monitoring purposes. For all funding sources, the number of bedrooms will be determined by the appraisal. In addition, in-ground pools may not be eligible if the cost of pool maintenance and operation (utilities) causes the housing ratio to exceed 40%.

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D. All housing units must be in compliance with State and local codes and ordinances.

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E. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the Sponsor as loss payee in order to close escrow.

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#### 3.2. CONDITIONS

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A. Construction Inspection and Determining Need for Repairs.

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Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

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- 1) The Program Operator, a certified housing inspector, or a Sponsor representative will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be

negotiated with the seller.

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If there are one or more health and safety deficiencies, and/or violations of applicable building codes noted in the written report, the Sponsor will approve the subsidy only if:

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- a. Repair prior to close of escrow. The buyer and seller agree to make necessary repairs to the dwelling unit prior to transfer of property ownership at their own expense; or,
  - b. HOME acquisition and rehabilitation loan. If HOME funds are available, the buyer may use some of the Sponsor's First-Time Homebuyer loan and other funds to make necessary and other repairs up to a maximum of 100% combined loan-to-value, unless up to 105% based on the purchase transaction. All health and safety hazards and code violations must be addressed under this option. Examples of allowable expenses include, but are not limited to: foundation repair, electrical repair or rewiring, plumbing or sewer repair, roof repair or replacement, heating and cooling system installation or repair, water damage repair, and repair of structurally-significant damaged wood. Weatherization, energy-related improvements and General Property Improvements are allowable, but General Property Improvements are limited to a maximum of 15% of the overall rehabilitation cost. Buyers should note that the use of any Program funds for rehabilitation on a home built before 1978 may incur additional lead-based paint testing. Hiring of a contractor and completion of repairs will be conducted in accordance with the section entitled "Acquisition with Rehabilitation Process" below.
- 2) New homes must comply with current local health and safety standards and all applicable federal, state, and local building codes as evidenced by a building permit finalized by the City Building Division.
  - 3) When the Sponsor's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C. will apply.
  - 4) A clear pest inspection report will be required for each housing unit. Smoke detectors will be installed if there are none in place. The Program Operator will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.
  - 5) With the exception of 1) ii. above, upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

- B. Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the Affordability Period. Note – This does not apply to CDBG and CalHome assistance.

The HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

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- C. **Lead-Based Paint Hazards:** All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD’s online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME and CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these Programs may incorporate the costs into the calculation of Program assistance.

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The following requirements must be met:

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- 1) **Notification:** a) Prior to homebuyer’s obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet “*Protect Your Family From Lead in Your Home*”. (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor’s homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).
- 2) **Disclosure:** Prior to the homebuyer’s obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), “Seller’s Lead-based Paint Disclosure” notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a “Visual Assessment” of all the dwelling unit’s painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor’s and workers’ appropriate proof of LBP training, as applicable to the jobproject in order

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to assure that only qualified contractors and workers are allowed to perform the mitigation.

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- D. The Program Operator will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser's file (See Attachment I).

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### 3.3. ACQUISITION WITH REHABILITATION PROCESS – HOME-funded ~~jobs~~ projects only

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As noted above, when HOME funding is available for First-Time Homebuyer assistance, funds (from all sources) may be used to bring the unit into compliance with health and safety standards, and/or to correct code violations. If such repairs are required, a portion of this money may be used to make accessibility modifications for a household member with a disability. Weatherization, energy-related improvements and General Property Improvements are allowable, but General Property Improvements are limited under the HOME Program to a maximum of 15% of the overall rehabilitation cost.

IMPORTANT: No later than six (6) months following close of escrow, repairs to the housing unit must address ALL health and safety and code issues, to be in compliance with HOME regulations; otherwise, the loan becomes due and payable.

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If a portion of the Program loan is used for acquisition with rehabilitation, the following process will be followed:

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- A. The buyer will be responsible for obtaining three (3) bids from qualified licensed contractors. The Sponsor's Program Operator has a list of qualified contractors, or the applicant may solicit bids from other licensed contractors if they meet the standards described below.
- B. Any funds used for rehabilitation on homes built prior to 1978 will require testing for lead based paint. If the total rehabilitation funds are equal to or less than \$5,000, all surfaces disturbed during rehabilitation and lead hazard reduction must be repaired using safe work practices. If total rehabilitation is between \$5,000 and \$10,000, lead based paint must either be presumed to be present or testing and risk assessment are required. Lead hazard reduction activities must be conducted using safe work practices. The Sponsor will provide a grant to cover all expenses incurred as a result of lead-based paint as noted in the section entitled *Lead Based Paint Hazards* above, ~~but total rehabilitation, including this grant, may not exceed \$10,000.~~
- C. Contractors must hold a current and valid State of California General Contractor's license if the work consists of correction of health and safety issues or code violations. For accessibility modifications, the Sponsor may exercise discretion regarding contractors' requirements. The contractor may not be on the State or Federal debarred contractor lists. The contractor must have current and valid general liability and workmen's compensation insurance if applicable. The contractor must provide a one-year warranty for the work per State regulations.

- D. The buyer will review the bids with the Program Operator and the Sponsor to ensure that the scope of work will correct any deficiencies, that it only includes allowable expenses and that the bids are reasonable, competitive and complete.
- E. The applicant will select a contractor from one of the Sponsor's/Program Operator's approved bids. All bidding contractors will be notified of the status of their proposals.
- F. The applicant will enter into a contract with the contractor selected (see Attachment J).
- G. The contractor will be responsible for securing all required permits for the scope of work.
- H. Work may not commence until the close of the acquisition loan.
- I. As work progresses, the contractor shall provide the buyer with a completed Payment and Construction Approval form (Attachment K) to request progress payments as outlined in the contract terms. The form must be signed by the contractor, the buyer, and the Program Operator before a payment may be issued to the contractor.
- J. Final payment of a 10% retention will be released to contractor once the contractor submits the following to the Program Operator: (1) lien releases from any subcontractors, material suppliers, and laborers; (2) final or signed off Building Inspection card for contracted work (if applicable); and (3) Notice of Completion.

**3.4. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE**

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with Sponsor's relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

**A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970**

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or Program for which HUD financial assistance (including CDBG and HOME) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.



**B. Section 104(d) of the Housing and Community Development Act of 1974**

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME or CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME or CDBG assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

**3.5. PROPER NOTIFICATION AND DISCLOSURES**

- A. Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer’s original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded Programs).

**4.0. PURCHASE PRICE LIMITS**

The purchase price limits and appraised post-rehabilitation value for this Program shall not exceed the Maximum HOME Program Purchase Price/After-Rehab Value Limit for Sponsor’s County as updated by HCD or HUD.

*Note: For HOME- and CalHome-funded Programs the home purchase price of owner-occupied and homebuyer properties must be limited as follows: For CalHome-funded Programs, the maximum allowable sales price or the maximum after-rehab value of a home shall be set at 100% of the current median sales price of a single family home in the county in which the CalHome Program is located; for HOME-funded Programs the value (with or without rehabilitation) cannot exceed 95 percent of the area median purchase price as established by HCD and HUD.*

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**Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS**  
\*Sponsor will update these limits annually as HCD provides new information.

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**5.0. THE PRIMARY LOAN**

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the “primary loan”).

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**5.1. QUALIFYING RATIOS**

The front-end (housing) debt-to-income ratio shall be between 25% and 35% and is the percentage of a borrower’s gross monthly income (before deductions) that would cover the

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cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

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The back-end (total) debt-to-income ratio shall be between 25% and 42% and is the percentage of a borrower's gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments. *Note: Qualifying ratio guidelines can be somewhat flexible depending on the loan-to-value ratios. The higher the LTV, the more conservative the ratios should be. A qualifying ratio higher than the guidelines may be acceptable if there are compensating factors. Some examples of compensating factors are: 1) the prospective homebuyer has successfully demonstrated that over a minimum 12-month period the ability to pay housing costs equal to or greater than the proposed monthly housing costs for the home to be purchased; 2) the prospective homebuyer is a limited user of credit and they show a history of being able to save money; 3) there will be no more than a 5% increase in the prospective homebuyer's housing expense. These exceptions will be approved by the Sponsor's loan committee and documented for the file.*

## 5.2. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

## 5.3. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

## 5.4. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

## 6.0. THE PROGRAM LOAN

### 6.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

For HOME, the amount of Program assistance to a homebuyer toward purchase of a home shall not exceed the maximum HOME subsidy limit for Sponsor's County per bedroom per the HCD website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg> and **shall never exceed the amount of the primary mortgage. See Attachment C.** Any approved "grant" amount for lead-based paint evaluation and reduction activities or for relocation assistance (for HOME-funded ~~jobs~~projects only), as well as activity delivery, shall be included in this amount, but will not be a part of the loan.

For Programs funded with CalHome funds, the maximum assistance to a homebuyer toward purchase of a home will not exceed \$60,000, which includes activity delivery.

#### **6.2. NON-RECURRING CLOSING COSTS**

Non-recurring costs such as credit report, escrow, closing and recording fees, title report and title insurance, title updates and/or related costs may be included in the Program loan.

#### **6.3. AFFORDABILITY PARAMETERS FOR HOMEBUYERS**

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.1. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The Program Operator will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus non-recurring closing costs) less down payment, and the amount of the primary loan.

#### **6.4. RATE AND TERMS FOR PROGRAM LOAN**

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

For HOME and CDBG, the Program loan's term shall be for as long as the primary loan, plus 15 years. For CalHome, the Program loan's term shall be for 30 years. The interest rate shall be 0% simple interest. All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. ~~For HOME and CDBG, loan principal shall not be forgiven (unless allowed by statute, for CalHome), and the foreclosure is a forced sale; nothing is voluntarily forgiven.~~ The loan period cannot be extended except for loans that are resubordinated when a rate and term refinance is approved, per Attachment D.

**Note – If it is determined by the Sponsor that repayment of a CalHome Program loan at the maturity date causes a hardship to the homeowner, the Sponsor may opt the following:**

1. Amend the note and deed of trust to defer repayment of the amount due at maturity, that is balance of the original principal plus the accrued interest, for up to an additional 30 years (at 0% additional interest). This may be offered one time, or;
2. Convert the debt at loan maturity; that is the balance of the original principal plus any accrued interest, to an amortized loan, repayable in 15 years at 0% additional interest.

#### **6.5. COMBINED LOAN-TO-VALUE RATIO**

For CalHome, the loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the sales price,

plus a maximum of up to 5 percent of the sales price, to cover actual, non-recurring closing costs.

For HOME and CDBG, the loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the appraised value of the property, plus a maximum of up to 5 percent of the sales price, to cover actual, non-recurring closing costs.

**7.0. PROGRAM LOAN REPAYMENT**

**7.1. PAYMENTS ARE VOLUNTARY**

Borrowers may begin making voluntary payments at any time, without penalty.

**7.2. RECEIVING LOAN PAYMENTS**

A. Program loan payments will be made to:

County of Kings  
Planning Department  
1400 W. Lacey Blvd.  
Hanford, CA 93230

B. The Sponsor will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor’s Program Income Account, as required by HCD Programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

**7.3. DUE UPON SALE OR TRANSFER**

In the event that an owner sells, transfers title, or discontinues residency in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

A. For CalHome, loans are not assumable. The following transfers of interest shall not require the repayment of the CalHome Program loan:

1) transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;

2) a transfer, in which the transferee is a person who occupies or will occupy the property, which is:

a. a transfer where the spouse becomes an owner of the property;

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b. a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or

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c. a transfer into an inter vivos trust in which the borrower is and remains the beneficiary and occupant of the property.

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B. For HOME and CDBG, if the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homebuyer definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.

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C. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.

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D. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

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#### 7.4. LOAN SERVICING POLICIES AND PROCEDURES

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See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

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#### 7.5. LOAN MONITORING PROCEDURES

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Sponsor or their designated Loan Servicing Agent will annually monitor and certify in the loan file that the Borrower and their housing unit are adhering to Program requirements including, but not limited to, the following:

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- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

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#### 8.0. PROGRAM LOAN PROCESSING AND APPROVAL

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A. Loan Processing

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All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete

application packet with all the Sponsor's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the Sponsor's Program needed to purchase the housing unit and that leveraged funds will be used when possible. ~~for example, in many cases the Primary Lender will not require mortgage insurance with the Sponsor's second in place which will save on the homebuyer's monthly payment.~~

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#### B. Creditworthiness

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Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the Sponsor and documentation of such maintained in the loan file. The Sponsor may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

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#### C.

#### C. Documents from Primary Lender

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After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD Program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

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#### D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability

provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

### **8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN**

Once the loan approval package has been completed the Program Operator will submit it to the Sponsor for approval. Sponsor will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

### **8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING**

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

### **8.3. ESCROW PROCEDURES**

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

### **9.0. SUBORDINATE FINANCING**

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

### **10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES**

The Sponsor may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the Sponsor's Loan Committee and/or governing body. Changes shall then be sent to HCD for approval.

**10.1. DEFINITION OF EXCEPTION**

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

**10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES**

- A. The Sponsor or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for a decision.

**11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE**

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.



~~ATTACHMENT A~~

ATTACHMENT A

~~24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS - FOR HOME & CDBG~~

24 CFR Part 5 Annual Income Inclusions

This table presents the Part 5 income inclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition, January 2005).

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General Category	(Last Modified: January 2005)
1- Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2- Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3- Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4- Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5- Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6- Welfare Assistance	Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> <li>• Qualify as assistance under the TANF program definition at 45 CFR 260.31; and</li> <li>• Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).</li> </ul> If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: <ul style="list-style-type: none"> <li>• the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; <b>plus</b></li> <li>• the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.</li> </ul>
7- Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8- Armed Forces Income	All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

**Part 5 exclusions**

This table presents the Part 5 income exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition, January 2005).

General Category	(Last Modified: January 2005)
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> <li>a. Amounts received under training programs funded by HUD.</li> <li>a. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).</li> <li>b. Amounts received by a participant in other publicly-assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.</li> <li>c. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.</li> <li>d. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.</li> </ul>
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- ~~➤ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;~~
- ~~➤ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);~~
- ~~➤ Payments received under the Alaskan Native Claims Settlement Act;~~
- ~~➤ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;~~
- ~~➤ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;~~
- ~~➤ Payments or allowances made under the Department of Health and Human Services' Low Income Home Energy Assistance Program;~~
- ~~➤ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);~~
- ~~➤ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;~~
- ~~➤ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;~~
- ~~➤ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);~~
- ~~➤ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);~~
- ~~➤ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;~~
- ~~➤ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;~~
- ~~➤ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps);~~
- ~~➤ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;~~
- ~~➤ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;~~
- ~~➤ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;~~
- ~~➤ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and~~
- ~~➤ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998;~~

**§5.609 Annual income.**

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

**24 CFR Part 5 Annual Income Exclusions**

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing> for most recent notice]

(d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

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## ATTACHMENT A-1

### Title 25 Section 6914 Gross Income Inclusions – For CalHome activities

“Gross income” shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income.

“Income” shall consist of the following:

- (a) Except as provided in subdivision (b), “Exclusions”, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:
  - (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
  - (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
  - (3) Interest and dividends;
  - (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
  - (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay;
  - (6) Public Assistance. If the public assistance payment includes any amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
    - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
    - (B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities,
  - (7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts from persons not residing in the dwelling;

All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse.



**Title 25 Section 6914 Gross Income Exclusions**

- (b) The following items shall not be considered as income:
- (1) Casual, sporadic or irregular gift items;
  - (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
  - (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
  - (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;
  - (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
  - (6) Relocation payments made pursuant to federal, state, or local relocation law;
  - (7) Foster child care payments;
  - (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is an excess of the amount actually charged the eligible household;
  - (9) Payments received pursuant to participation of the following volunteer programs under the ACTION Agency:
    - (A) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.
    - (B) National Older American Volunteer Program for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

**ATTACHMENT B**

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

**Inclusions**

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

**Exclusions**

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

## PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition, January 2005).

Statements from 24 CFR Part 5—Last Modified: January 2005

### **Inclusions**

- ~~1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6 month balance. Assets held in foreign countries are considered assets.~~
- ~~1. Cash value of revocable trusts available to the applicant.~~
- ~~2. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.~~
- ~~3. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.~~
- ~~4. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).~~
- ~~5. Retirement and pension funds.~~
- ~~6. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).~~
- ~~7. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.~~
- ~~8. Lump sum or one time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.~~
- ~~9. Mortgages or deeds of trust held by an applicant.~~

### **Exclusions**

- ~~1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.~~
- ~~1. Interest in Indian trust lands.~~
- ~~2. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.~~
- ~~3. Equity in cooperatives in which the family lives.~~
- ~~4. Assets not accessible to and that provide no income for the applicant.~~
- ~~5. Term life insurance policies (i.e., where there is no cash value).~~
- ~~6. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.~~

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**ATTACHMENT C**

**HOME MAXIMUM PURCHASE PRICE / AFTER-REHAB VALUE LIMIT  
HOME Program Limits as of 3/1/17**

COUNTY NAME	Existing	Newly Constructed (less than 12 months old)
KINGS	\$192,000	\$224,000

**CALHOME MAXIMUM SALES PRICE / VALUE LIMIT**

For homes assisted with a CalHome Program loan, the maximum allowable sales price or the maximum after-rehab value of a home shall be set at 100% of the current median sales price of a single family home in the County in which the CalHome Program is located. The source of the data for the maximum sales price/value limits that will be used will be the FHA 203(b) one-family limits.

**HOME SUBSIDY LIMITS PER UNIT  
(Limits are effective as of 11/18/15/17)**

COUNTY NAME	0 Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
KINGS	<del>\$140,107</del> 144,050	<del>\$160,615</del> 165,134	<del>\$195,305</del> 200,801	<del>\$252,662</del> 259,774	<del>\$277,344</del> 285,149

**CURRENT INCOME LIMITS FOR THE AREA (FOR HOME/CDBG)  
(Limits are effective as of 6/6/15/17)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
<b>80% of AMI</b>	<del>\$33,000</del> 550	<del>\$37,700</del> 38,350	<del>\$42,400</del> 43,150	<del>\$47,100</del> 900	<del>\$50,900</del> 51,750	<del>\$54,650</del> 55,600	<del>\$58,450</del> 59,400	<del>\$62,200</del> 63,250

**CURRENT INCOME LIMITS FOR THE AREA (FOR CALHOME)  
(Limits are effective as of 5/24/16/9/17)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
<b>80% of AMI</b>	<del>\$33,000</del> 550	<del>\$37,700</del> 38,350	<del>\$42,400</del> 43,150	<del>\$47,100</del> 900	<del>\$50,900</del> 51,750	<del>\$54,650</del> 55,600	<del>\$58,450</del> 59,400	<del>\$62,200</del> 63,250

\*Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/cdbg-home-income-limits.shtml> (for CalHome income limits, go

to <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#state-2016> and choose State Income Limits)<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> (for HOME and CDBG limits, choose “State CDBG and HOME Income, Value and Rent Limits”; for CalHome income limits, choose Official State Income Limits).

**SPONSOR STANDARDS FOR BEDROOMS AND BATHROOMS TO PREVENT OVERCROWDING**

<b>Maximum No. of Persons in the Household</b>	<b>Number of Bedrooms</b>	<b>Number of Bathrooms</b>
<b>1</b>	<b>SRO</b>	<b>1</b>
<b>1</b>	<b>0-BR</b>	<b>1</b>
<b>2</b>	<b>1-BR</b>	<b>1</b>
<b>4</b>	<b>2-BR</b>	<b>2</b>
<b>6</b>	<b>3-BR</b>	<b>2</b>
<b>8</b>	<b>4-BR</b>	<b>3</b>
<b>10</b>	<b>5-BR</b>	<b>3</b>
<b>12</b>	<b>6-BR</b>	<b>4</b>

- ~~Opposite sex children under 6 years of age~~Children may share a bedroom, up to 2 children per bedroom.
- ~~Opposite sex children 6 years of age and older may have their own bedroom.~~
- Children shall be permitted a separate bedroom from their parents.
- ~~Same sex children of any age may share a bedroom, up to 2 children per bedroom.~~
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom is allowable.
- 8 or more people – a third bathroom is allowable.
- Same rules apply to mobile home units.

**The chart above is used as a guide to overcrowding.**

## ATTACHMENT D

### LOAN SERVICING POLICIES AND PROCEDURES FOR THE COUNTY OF KINGS

The County of Kings, hereafter called “Sponsor,” has adopted these policies and procedures in order to preserve its financial interest in properties whose “Borrowers” have been assisted with public funds. The Sponsor will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Sponsor has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The Sponsor may, at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program. For CalHome, the Sponsor must obtain prior approval from HCD and must provide HCD a copy of the contract.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan’s principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan; 8) the Sponsor as Senior Lienholder; and 9) processing of demands and payoffs.

#### 1. Loan Repayments:

The Sponsor will collect monthly payments from those Borrowers who are obligated to do so under Notes that are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly due date.

For Notes that are deferred payment loans, the Sponsor must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

At time of completion, the funds expended on a housing unit will be compared to the Note amount. Any funds not expended at completion will be considered a “principal reduction” and will be applied to the principal loan balance thereby lowering the amount owed by the Borrower. Borrowers will receive a closeout letter after the 30-day retention period indicating the amount of their Note, the credit, and the ending balance on their loan. A copy of this credit along with the final cost breakdown will be retained in the Borrower’s file.

The State HOME Program “HOME” has selected the Recapture option of ensuring the affordability of housing acquired by HOME-assisted homebuyers.

There is no affordability period in the Sponsor’s Housing Rehabilitation Program; therefore, all payments and payoffs received are Program Income.

Recaptured funds and Program Income do not have to be expended on the same type of activity as that from which the funds were generated, but they are required to be expended on other HOME activities before any new HOME funds can be drawn down from the Treasury (24 CFR 504(c)(viii)).

Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the affordability period. Note – This does not apply to CDBG and CalHome assistance.

For HOME-assisted loans approved by the Sponsor under the First-Time Homebuyer Program, the HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

<b>Amount of HOME Assistance</b>	<b>Period of Affordability in Years</b>
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Sponsor as loss payee. If Borrower fails to maintain the necessary insurance, the Sponsor may use non-grant funds to take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the Sponsor as loss payee will be required at close of escrow. The Sponsor must verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, the Sponsor may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Sponsor encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower’s loan is in second position behind an existing first mortgage, it is the Sponsor’s policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Sponsor’s loan. This document requires any senior lienholder listed in the notice to notify the Sponsor of initiation of a foreclosure action. The Sponsor will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Sponsor can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Sponsor is in a third position and receives



notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Verification:

On owner-occupant loans, the Sponsor requires that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan.

Occupancy will be verified, reviewed and certified by the submission of the following:

- A. Proof of occupancy in the form of a copy of a current utility bill; and
- B. Statement of unit's continued use as primary residence of the owner.
- C. Declaration that other title holders do not reside on the premises;
- D. Verification that Property Taxes are current; and
- E. Verification of current required insurance policies.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Sponsor in writing of any change. Sponsor, or its designated Loan Servicing Agent, and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families.

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Sponsor's Loan Committee (depends on the HCD Program). Note – CalHome loans are not assumable.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan is due and payable. All such changes are subject to the review and approval of the Sponsor's Loan Committee. Note – CalHome loans are not assumable.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Sponsor allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

For CalHome, the following transfers of interest shall not require the repayment of the CalHome Program loan:

- A. transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;
- B. a transfer, in which the transferee is a person who occupies or will occupy the property, which is:
  - 1) a transfer where the spouse becomes an owner of the property;
  - 2) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
  - 3) a transfer into an inter vivos trust in which the borrower is and remains the beneficiary and occupant of the property.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no “cash out” as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the Borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

- A. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
- B. not have a temporary interest rate buy-down;
- C. have a term “all due and payable” that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
- D. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; or 4) default on senior loans; the Sponsor, or its designated Loan Servicing Agent, will send out a letter to the Borrower notifying them of the default situation. If the default situation continues, the Sponsor may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Sponsor is notified via a Request for Notice of Default, the Sponsor, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Sponsor must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Sponsor may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Sponsor determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Sponsor does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Sponsor can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

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

#### 8. Sponsor as Senior Lienholder

When the Sponsor is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor's staff will consider the following factors before initiating foreclosure:

- A. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- B. Can the Borrower refinance with a private lender and pay off the Sponsor?
- C. Can the Borrower sell the property and pay off the Sponsor?

- D. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- E. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

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

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor could sell the home themselves under a homebuyer Program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Sponsor could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

9. Process Demands and Payoffs:

Requests for demands and payoffs will be processed within the timeframe allowed by law. Sponsor or its designated Loan Servicing Agent is proficient in performing the related calculations. Reconveyance and lien releases would be prepared for processing by a qualified Title Company.

**ATTACHMENT E**  
**SELLERS LEAD-BASED PAINT DISCLOSURE**  
**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**  
**Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Seller's Disclosure**

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):  
 (i)  Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).  
 \_\_\_\_\_  
 (ii)  Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):  
 (i)  Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).  
 \_\_\_\_\_  
 (ii)  Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's Acknowledgment (initial)**

- (c)  Purchaser has received copies of all information listed above.  
 (d)  Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.  
 (e)  Purchaser has received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (initial)**

- (f)  Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

**ATTACHMENT F**

**Disclosure to Seller with Voluntary, Arm's Length Purchase Offer**

**DECLARATION**

This is to inform you that \_\_\_\_\_ would like to purchase the property, located at \_\_\_\_\_, if a satisfactory agreement can be reached. We are prepared to pay \$\_\_\_\_\_ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, \_\_\_\_\_, thru the agency, \_\_\_\_\_ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor \_\_\_\_\_ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$\_\_\_\_\_ and was estimated by \_\_\_\_\_, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at:

\_\_\_\_\_. If you have any questions about this matter, please contact \_\_\_\_\_ at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Title

\_\_\_\_\_  
*Buyer*

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Buyer*

\_\_\_\_\_  
Date

Form continues on next page with Seller's Acknowledgment

**Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (Page 2)**

**Acknowledgement**

As the Seller I/we understand that the \_\_\_\_\_ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the Sponsor's Program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months;  Owner-occupied;  New; or  Being Purchased by Occupant

*I/we hereby certify that I have read and understand this "Declaration" and  a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose  to withdraw or  not to withdraw, from the Purchase Agreement.*

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller

\_\_\_\_\_  
Date

## ATTACHMENT G

### COUNTY OF KINGS INSTRUCTIONS TO HOMEBUYER

1. Persons interested in purchasing a home should contact the Program Operator's Homebuyer Counseling and Education (HCE) Department at 559-802-1672 to enroll in education classes, and if needed or required by the Program, also enroll in an individual counseling session. Upon completion of eight (8) hours of homebuyer education, the HCE Department will issue certificates of completion to the participants.
2. Participant should contact the Program Operator's First-Time Homebuyer Loan Processor at 559-802-1649 to verify funding availability. The participant's name is added to Sponsor's interest list if there is no funding available, or will be moved directly into the workload.
3. Participant will select a Mortgage Company (primary lender) of his or her choice to determine financing eligibility. Upon successful prequalification with a primary lender, primary lender will submit a complete loan application package to Program Operator for review. This package must be submitted along with a completed Submission Form and Lender Cover Letter, provided by the Program Operator via the Program Operator's website. Items to be included are proof of income, credit history, and household size.
4. During the financing and Program eligibility review by Program Operator, household size, income, and Sponsor loan amount are determined. Prior to issuance of the prequalification letter to the family, the following must occur:
  - a. Application package must be reviewed and signed by Program Operator
  - b. Application package must be reviewed and signed by Sponsor

Upon completion by all parties, Program Operator will issue a prequalification letter to the participant and primary lender on behalf of the Sponsor. Program Operator will contact or meet with qualified applicant to provide information relative to Program requirements and the lending process. In addition, Program Operator will issue a condition list to both parties requesting additional income and asset documentation, including verification of employment and all income sources.

5. Participant works with Licensed Real Estate broker to find a property. Properties are subject to the following requirements:
  - a. Properties must meet the modest housing standard of 3 bedrooms/2 bathrooms, unless extenuating circumstances justify more to be approved
  - b. Properties must be located within the Sponsor's eligible area (Program Operator will verify)
  - c. Properties must meet maximum sales price limits, as applicable
  - d. Properties must be owner-occupied or vacant for at least three (3) months

Upon approval of the individual properties by the Sponsor, applicant will submit an offer and, once accepted, forward copies to Program Operator for review.



6. Applicant will work with primary lender to provide Program Operator all terms on the conditions list. The items include, but are not limited to:
  - a. Income documentation (paystubs, tax returns, child support, etc.)
  - b. Asset documents (bank statements, 401K, etc.)
  - c. Property information (appraisal with photos, preliminary title report, termite report and clearance, etc.)
  - d. Real Estate Sales Contract (contingent upon receiving Program loan approval)
  - e. Residential loan application and credit report, paystubs, tax returns and W-2's, and all verifications of employment and rent
  - f. Disclosure statement
7. Program Operator, upon receipt of appraisal, will order a home inspection to be completed by the Program Operator, a certified housing inspector, or a Sponsor representative. Home inspections will document health & safety and code compliance as well as conduct Lead-Based Paint Inspections. Seller must correct all deficiencies prior to the close of escrow.
8. Upon receipt of all conditions, Program Operator will prepare participant file for final loan approval with Sponsor. The primary lender should request the date of loan approval one week prior to the date of anticipated loan signing. At loan approval, Program Operator will present the application to Sponsor for review. Following loan approval, Program Operator will give loan documents to Sponsor for signatures. Loan documents are then forwarded to escrow company to coordinate loan signing.
9. Signed documents are returned to Program Operator for review. Upon review and confirmation of all conditions of final funding, Program Operator will wire funds to escrow.
10. Once loan is funded and recorded, escrow company provides a copy of all documents to Program Operator. Program Operator then closes out the loan file.

**ATTACHMENT H  
LEAD-BASED PAINT**

Formatted: Left: 0.8"

**VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM**

<b>Section 1: Background Information</b>			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

<b>Section 2: Visual Assessment.</b> Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found.	

<b>Section 3: Notice of Presumption.</b> Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption:	

<b>Section 4: Notice of Lead-Based Paint Hazard Reduction Activity.</b> Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

<b>Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity</b>		
Printed Name:	Signature:	Date:

<b>Section 6: Contact Information</b>		Organization:
Contact Name:		Contact Signature:
Date:	Address:	Phone:

**ATTACHMENT I**

**Homebuyer Program Lead Compliance Document Checklist**

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

<b>Document Name</b>	<b>Purpose</b>	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

[http://portal.hud.gov/hudportal/documents/huddoc?id=20264\\_leadcompliance.doc](http://portal.hud.gov/hudportal/documents/huddoc?id=20264_leadcompliance.doc)

**ATTACHMENT J**

**ACQUISITION WITH REHABILITATION CONSTRUCTION CONTRACT**

**Home Improvement Construction Contract**

This Home Improvement Construction Contract is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the following parties: (Owner(s) Name): \_\_\_\_\_ and (Contractor's Name and Address): \_\_\_\_\_  
**(Notice of Cancellation, see paragraph 28, may be sent to Contractor at the above address).**

The parties agree as follows:

1. **Work to be Performed:** Contractor agrees to provide a Schedule of Work, in accordance with the Work Write-up (Attachment 1) and furnish all supervision, technical personnel, labor, materials, tools and equipment necessary to complete the work described in the work write-up attached hereto at the real property commonly described as: \_\_\_\_\_  
\_\_\_\_\_. Contractor will be responsible for all construction means, methods, techniques, sequences and procedures and for the coordination of all portions of the work under the Contract. All materials shall be new, unless otherwise specified, and of good quality. Owner has a right to require the Contractor to have a performance and payment bond; the expense of the bond may be borne by the Owner.
2. **Contract Price:** Owner agrees to pay Contractor the sum of \$\_\_\_\_\_ for the work to be performed.
3. **Completion Time:**
  - a. **Approximate Start Date:** The Contractor agrees to file a complete permit application within ten (10) days after receipt of written Notice to Proceed from the Owner. Owner and Contractor agree that the Start Date of construction shall be the date the permits are issued by the Sponsor. In no event shall the Contractor commence work or place any materials on the site thereof prior to receipt of Notice to Proceed from the Owner.
  - b. **Approximate Completion Date:** Contractor shall prosecute the work diligently and continuously to completion. The work shall be completed within \_\_\_\_\_ days after the Start Date, subject to such delays as are permissible under paragraph 7 herein below.
4. **Relationship of the Parties to SHE:** Work to be performed under this Contract is financed by funds from the Sponsor and administered by SHE. Owner is solely responsible for monitoring all work performed under this Contract and enforcing the terms of this Contract. SHE shall inspect all work for the purposes of monitoring loan disbursements in accordance with terms of this Contract and enforcing the terms of the loan agreement. Inspections performed by SHE are solely for the protection of the lender and solely for the purpose of assuring that the construction is progressing reasonably and that the lender's collateral interest is adequately protected. Owner acknowledges that SHE's inspections are not for the purpose of assuring Contractor's compliance with applicable building codes. SHE shall not be liable under any circumstances for its failure to discover or require correction by Contractor of work that fails to comply with applicable building codes or for its failure to

discover or require correction of any dangerous condition or defective work by contractor or by any subcontractor.

5. Payment:
  - a. Price will be paid to Contractor in installments based on completion of work tasks and individual item prices on the Work Write-up attached, and any Change Orders.
  - b. Contractor shall submit all required payment forms to Owner for approval of payment. Prior to authorization of payment, the Contractor shall provide lien releases for claims by subcontractors, laborers, and material suppliers involved in the work and/or represented by Contractor's invoices. Owner may also request written guarantees and warranties.
  - c. After approval by Owner, Contractor shall submit payment request forms to Self-Help Enterprises, hereinafter referred to as "SHE." SHE shall then make payment to the Contractor. SHE will inspect the work to ensure that it has been satisfactorily completed in accordance with the Contract requirements. SHE may withhold or reduce payment to the Contractor to the extent that SHE deems such action is necessary in order to protect the lender's security, to satisfy liens or claims of subcontractors, laborers or suppliers, or to assure that the construction is progressing in accordance with the contract and related documents including the plans and specifications and Schedule of Work for the project.
  - d. At the time the work is completed, the Contractor shall submit the final pay request along with the recorded Notice of Completion, final building inspection report, insulation certificate, any warranties and guarantees, conditional lien releases, and Section 3 report (for contracts over \$100,000).
  - e. An amount equal to ten percent of the total Contract price, including any Change Orders, will be withheld by Owner and shall be paid to Contractor 35 days after notice of completion has been recorded, final inspection by the jurisdiction's building official and approval by Owner, provided that Contractor is not in default under this Contract. Final payment will be subject to withholding any amounts due to Owner for actual costs due to unexcused delays.
  - f. The payment of any progress payment shall not constitute acceptance of defective work or improper material, nor is it a waiver of the warranties or any other remedies to which the Owner may be entitled under the terms of this Contract
6. Failure to Commence Work: Failure by the Contractor without lawful excuse to substantially commence work within 20 days from the date specified in the Notice to Proceed is a violation of the Contractors' License Law.
7. Excusable Delays: Contractor shall not be charged with delay in the completion of the work due to: any acts of Owner which cause delay; general strikes; acts of God or the public enemy; unavailability of materials, or casualty beyond Contractor's control, provided, however, that Contractor promptly (within 14 days) notifies Owner, in writing, of the cause of the delay. If the facts show the delays to be excusable under the terms of the Contract, the time for completion shall be extended for a period equal to the amount of time due to such delay.
8. Unexcused Delays: The parties agree that the Owner would incur additional expenses as a result of Contractor's unexcused delays in the completion of the work. "Additional expenses" shall include but not be limited to housing and storage costs incurred by the owner due to the inability to fully occupy the property.

9. Provisions for the Owner: While this Contract is in force, Owner shall permit Contractor the use of existing utilities including light, heat, power, and water, without charge, in order to carry out and complete the work. Owner may continue to occupy the premises during the rehabilitation but shall cooperate with Contractor to facilitate the performance of the work including the abandonment of limited areas as may be essential to the conduct of the work.
10. Compliance with the Law: By signing this contract, the Contractor certifies that it is licensed and in good standing in California, and not listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors. Contractors are regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826. All work shall be completed in strict compliance with the laws, ordinances, rules, regulations and Codes of the State, County, and local governments, whether such applicable laws, ordinances, rules, regulations and codes are mentioned in this Contract or not. Contractor shall obtain, pay for, and provide permits and licenses, as required to complete all work outlined under this Contract.

Where applicable, Contractor agrees to the following provisions:

- a) Standard Contract Language, All Contracts and Subcontracts, pertaining to civil rights, HCD, age discrimination, rehabilitation acts assurance, etc. (see Attachment 2).
- b) By the statement below, Contractor hereby furnishes Owner with Contractor Notice in compliance with California Business and Professions Code Section 7159:

#### **INFORMATION ABOUT THE CONTRACTORS' STATE LICENSE BOARD (CSLB)**

**CSLB is the state consumer protection agency that licenses and regulates construction contractors.**

**Contact CSLB for information about the licensed contractor you are considering including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.**

**Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.**

**For more information:**

Visit CSLB's Web site at [www.cslb.ca.gov](http://www.cslb.ca.gov)

Call CSLB at 800-321-CSLB (2752)

**Write CSLB at P. O. Box 26000, Sacramento, CA 95826**

c) The contractor hereby agrees to abide by the requirements of Executive Order 11246 and all implementing regulations of the Department of Labor.

11. Notice to Owner (see Attachment 3).
12. Required Insurance: Contractor shall obtain and keep in effect during the life of this contract, insurance in the following minimum amounts:

Worker's Compensation and Employer's Liability Insurance meeting the statutory requirements of the State of California.

Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000. This insurance shall be on an occurrence basis and shall protect the Contractor against liability arising from: Contractor's operations, operations by subcontractors, products, completed operations or professional liability where applicable and contractual liability assumed under the indemnity provisions above insured. Any Excavation, Collapse and Underground exclusions must be deleted when applicable to operations performed by the Contractor or his subcontractors.

An original certificate of such insurance shall be filed with SHE. Said certificate shall evidence coverage through the life of this Contract.

13. Safety to Public and Property: Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and Programs in connection with the work. In such, Contractor shall provide reasonable protection to prevent damage, injury, and loss to: all employees on the work, all work and materials and equipment to be incorporated therein and other property at the site or adjacent thereto, including trees, shrubs, lawns, pavements, structures, and utilities not designated for removal or replacement under the terms of this Contract.
14. Hold Harmless: With the exception that this Section shall in no event be construed to require indemnification by Contractor to a greater extent than permitted under the public policy of the State of California, Contractor shall indemnify and save harmless Owner and SHE, including their officers, agents, employees, affiliates, parents and subsidiaries, and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys fees, losses or liability, in law or in equity, of every kind and nature whatsoever ("Claims") arising out of or in connection with Contractor's operations to be performed under this Agreement for, but not limited to:
  - (a) Personal injury, including, but not limited to, bodily injury, emotional injury, sickness or disease, or death to persons, including, but not limited to any employees or agents of Owner, SHE, or any other subcontractor and/or damage to property of anyone (including loss of use thereof), caused or alleged to be caused in whole or in part by any negligent act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose act Contractor may be liable regardless of whether such injury or damage is caused by a party indemnified hereunder.

- (b) Penalties imposed on account of the violation of any law, order, citation, rule, regulation, standard, ordinance, or statute, caused by the action or inaction of Contractor.
  - (c) Infringement of any patent rights which may be brought against SHE or Owner arising out of Contractor's work.
  - (d) Claims and liens for labor performed or materials used or furnished to be used on the jobproject, including all incidental or consequential damages resulting to SHE or Owner from such claims or liens.
  - (e) Contractor's failure to fulfill the covenants set forth in collective bargaining agreement, wage order or any other agreement or regulation concerning labor relations.
  - (f) Failure of Contractor to provide Casualty Insurance.
  - (g) Any violation or infraction by Contractor of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of SHE's or other's equipment, hoist, elevators, or scaffolds. The indemnification provisions of (a) through (g) above shall extend to Claims occurring after this Agreement is terminated as well as while it is in force. Such indemnity provisions apply regardless of any active and/or passive negligent act or omission of Owner or SHE or their agents or employees. Contractor, however, shall not be obligated under this Agreement to indemnify Owner or SHE for Claims arising from the sole negligence or willful misconduct of Owner or SHE or their agents, employees or independent contractors who are directly responsible to Owner or SHE, or for defects in design furnished by such persons.
  - (h) Contractor shall:
    - i. At Contractor's own costs, expense and risk, defend any claims that may be brought or instituted by third persons, including but not limited to, governmental agencies or employees of Contractor, against SHE or Owner or their agents or employees or any of them;
    - ii. Pay and satisfy any judgment or decree that may be rendered against SHE or Owner or their agents or employees, or by any of them, arising out of any such Claim; and/or
    - iii. Reimburse SHE or Owner or their agents or employees for any and all legal expense incurred by any of them in connection herewith or in enforcing the indemnity granted in this Section.
  - (i) All work covered by this Agreement done at the site or in preparing or delivering materials or equipment, or any or all of them, to the site shall be at the risk of Contractor exclusively until the completed work is accepted by SHE.
  - (j) The indemnities set forth in this Section shall not be limited by any insurance requirements set forth elsewhere within this agreement.
15. Assignment: Contractor shall not assign or transfer any right or obligation under this Contract without first obtaining the written consent of Owner. Any attempted assignment by Contractor shall be void.
16. Changes in Work to be Performed: No changes shall be made in the work, Contract price or Contract time for completion of work, except by written change order. The change order shall bear the signatures of the parties to this Contract and approved (by signature) as to propriety with funding requirements by SHE. No claim for an adjustment of Contract work, price or time will be valid unless so ordered. Payment for change orders that bear additional cost shall be made in accordance with paragraph 4, above.



17. Guarantees and Material Warranties: All labor, materials and installation shall be guaranteed for a period of one year from the date of final acceptance by Owner, when subjected to normal use and care, and provided Owner has complied, in full, with the terms and payments and other conditions of this Contract. Upon written notice from Owner, Contractor shall repair or remedy any defect in materials and workmanship within the one-year period specified. Contractor shall furnish Owner with and assign to Owner all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under this Contract.
18. Surplus Materials and Clean-up of Premises: All materials and equipment removed and not reused as a condition of this Contract shall remain or become the property of Owner, unless otherwise so stated in writing. All surplus materials as well as all rubbish and construction debris resulting from construction activities shall be removed promptly from the ~~job~~project site by Contractor. Upon completion of the work, Contractor shall leave the building and premises in a "broom-clean" condition.
19. Divisibility: It is intended that each paragraph of this agreement shall be viewed as separate and divisible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall continue to be in full force and effect.
20. Materials Restriction: Lead base paint hazards specified in the work write-up shall be mitigated in accordance with Federal Lead Based Paint regulations listed at 24 CFR 35. All new paint used must be a non-lead based paint.
21. Arbitration:
  - a. Should any controversy arise out of or related to this Contract or the breach thereof, that falls within the provisions of 7085 et seq. of the California Business and Professions Code, other than a controversy based upon your failure to comply with a notice to return to the project under paragraph 23, the parties shall agree to submit the issue to Contractors State License Board (CSLB) arbitration. The decision of the arbitrator is final and binding on both parties. CSLB will pay for the hearing, the arbitrator, and the services of one Board-appointed expert witness per complaint. The parties are responsible for their own attorney fees, if any, and additional expert witnesses, if any.
  - b. Any controversy arising out of or relating to this Contract, or the breach thereof, that does not qualify for CSLB arbitration, or the parties do not agree to CSLB arbitration, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order whom shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding and in any litigation arising out of or relating to this contract shall be entitled to recover from the other all attorneys' fees and costs of arbitration.
22. Mechanics Liens: Contractor shall pay promptly all valid bills and charges for materials, labor or otherwise, in connection with or arising out of the rehabilitation of said property and will hold Owner free and harmless against all of them, filed against the property or any part thereof, and from and against all expense and liability in connection therewith, including but not limited to, court costs

and attorneys' fees resulting or arising therefrom. Should any liens or claim of liens be filed for record against the property, or should Owner receive notice of any unpaid bill or charge in connection with the Contract, Contractor shall forthwith pay and discharge the same and cause the same to be released of record. Contractor authorizes SHE to issue joint checks as part of any disbursement otherwise payable to Contractor whenever SHE, in its sole discretion, determines that payment in this fashion is necessary in order to protect the interests of the Lender or the Owner. (See also, Notice to Owner, Attachment 3).

23. Termination of Contract: Should Contractor commit any of the acts specified in this paragraph, the Owner may, give 72 hours' notice in writing thereof to Contractor, to commence and continue thereafter to diligently prosecute the correction thereof, and if contractor fails to do so, then without prejudice to any other rights or remedies given Owner by law or by this contract, Owner may terminate the services of Contractor under this contract; take possession of said project and the premises on which it is located; take possession of all materials, located on such premises; and, complete said project by whatever method Owner may deem expedient. Contractor shall be deemed to have committed an act specified in this paragraph if contractor shall:
- a. refuse or fail to supply enough properly skilled workers or proper materials to complete said project in the time specified in this contract and in the approved time schedule.
  - b. fail to make prompt payment to subcontractors, laborers, or material men for labor performed on or materials furnished to said project;
  - c. fail to comply with the time schedule for completion of the project;

The preceding notwithstanding, the following actions by the Contractor shall be deemed to be material breaches of the contract which are not subject to cure. Should Contractor commit any of the acts specified in this paragraph, the Owner may, by giving 72 hours' notice in writing thereof to Contractor, without prejudice to any other rights or remedies given Owner by law or by this contract, terminate the services of Contractor under this contract; take possession of said project and the premises on which it is located; take possession of all materials, located on such premises; and complete said project by whatever method owner may deem expedient:

- d. Commence with any proceedings of bankruptcy;
  - e. make a general assignment for the benefit of contractors;
  - f. persist in disregarding any law or ordinance relating to said project or the completion thereof;
  - g. suffer the revocation or suspension of its contractor's license.
24. Rights on Termination by Owner: Should Owner terminate the service of Contractor under this contract and complete said project pursuant to Paragraph 10 of this contract, the Contractor shall not be entitled to receive any further payment under this contract until said project is fully completed. On completion of said project by Owner, if the unpaid balance of the contract price exceeds the expenses incurred by Owner in completing said project, including any compensation paid by Owner for managerial, administrative, or supervisory services in completing said project, such excess shall be paid by Owner to Contractor. If the expense incurred by Owner in completion of said project exceeds the unpaid balance of the purchase price, Contractor shall pay such excess to Owner with thirty days following written demand by Owner.

- 25. Force Majeure: Neither Owner nor Contractor shall be deemed to be in default if performance of the improvements required by this contract is delayed or becomes impossible because of any act of God, war, earthquake, fire, civil commotion, epidemic, act of government, its agencies or officers, court order, or any other legitimate cause beyond the control of the party and not caused by the negligent, unreasonable or intentional acts of the party.
- 26. Availability of Funds: In the event the loan or grant of funds upon which this Contract is contingent is not approved, this Contract shall be considered null and void, and shall not create any liability to either Owner or Contractor.
- 27. Contract Nullity: This entire Contract shall be considered null and void if either of the following shall occur:
  - a. Owner is not approved for funding to finance the Contract Price;
  - b. Owner chooses not to proceed with the project before construction begins.
- 28. **Three-Day Right to Cancel**: “You, the Owner, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the Contractor at the Contractor’s place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of this contract including this notice.

**If you cancel, the Contractor must return any moneys paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the Contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the Contractor’s instructions on how to return the goods at the Contractor’s expense and risk. If you do make the goods available to the Contractor, and the Contractor does not pick them up within 20 days of the date of your notice of cancellation, you make keep them without any further obligation. If you fail to make the goods available to the Contractor, or if you agree to return the goods to the Contractor and fail to do so, then you remain liable for performance of all obligations under this Contract.”**

- 29. “You, the Owner, are entitled to a completely filled in copy of this Contract, signed by both you and the Contractor, before any work may be started.”

THE OWNER AND THE CONTRACTOR ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND AND AGREE TO ALL PROVISIONS OF THIS CONTRACT INCLUDING ALL ADDITIONAL CONTRACT DOCUMENTS.

OWNER(S): \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_

By: \_\_\_\_\_

Business Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
License Number: \_\_\_\_\_  
Tax ID or Soc. Sec. #: \_\_\_\_\_

Attachments:

- 1 – Work Write-up
- 2 – Standard Contract Language
- 3 – Notice to Owner

STANDARD CONTRACT LANGUAGE:  
ALL CONTRACTS AND SUBCONTRACTS

1. The Civil Rights, HCD, and Age Discrimination Acts Assurances:

During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied Program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, or handicap, under any Program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, and the Age Discrimination Act of 1975, and all implementing regulations.

2. Rehabilitation Act of 1973 and the "504 Coordinator"

The Grantee further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Grantees with 15 or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator".

3. The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:

a) The grant activity to be performed under this Agreement is on a project assisted under a Program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR 135.34(a)(2).

b) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

c) The Grantee will include these Section 3 clauses in every contract and subcontract for Work in connection with the grant activity and will, at the direction of the State, take appropriate action pursuant to the contract or subcontract upon a finding that the Grantee or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless the Grantee or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

d) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon the Grantee, its successors and assigns. Failure to fulfill these requirements shall subject the Grantee, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

4. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or more

The Grantee hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Grantee furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

5. State Nondiscrimination Clause:

a) During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40) marital status, and denial of family care leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provisions of the Housing Act (Government Code, Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7258 et seq.) The applicable regulations of the Fair Employment and Housing Commission implementing Government Regulations, are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

6. Labor Standards –Federal Labor Standards Provisions

The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

Davis-Bacon Act (40 USC 276a-276a-5) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of Federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

Copeland “Anti-Kickback” Act (47 USC 276(c)) requires that workers be paid at least once a week without any deductions or rebates except permissible deductions.

Contract Work Hours and Safety Standards Act – CWHSSA (40USC 327-333) requires that workers receive “overtime” compensation at a rate of 1-1/2 times their regular hourly wage after they have worked 40 hours in one week.

Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

## NOTICE TO OWNER

"Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

TO INSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

- (1) Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.
- (2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.
- (3) Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property; therefore, you need to protect yourself. This will help to insure that all person due are actually paid.
- (4) Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by the individuals, the person signing these releases lose the right to file a mechanics' lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete.

To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can

only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property."

**Read and acknowledged:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Dated



**ATTACHMENT K  
SELF-HELP ENTERPRISES**

**CONSTRUCTION PAYMENT REQUEST # \_\_\_\_\_**

Date \_\_\_\_\_

Participant \_\_\_\_\_ Project \_\_\_\_\_ Job # \_\_\_\_\_

Project Address \_\_\_\_\_

Total Contract Amount \$ \_\_\_\_\_ Payment Amount \$ \_\_\_\_\_

Contractor: \_\_\_\_\_ Construction Supervisor: \_\_\_\_\_

Items Completed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I request payment for work in progress on the above property. I certify that the work itemized above has been completed as of this date.

\_\_\_\_\_  
Contractor's Signature

\_\_\_\_\_  
Date

*NOTE: Ten percent (10%) of the total contract amount (including all change orders) will be retained by Self-Help Enterprises until 35 days after Notice of Completion is recorded.*

The items listed above have been completed satisfactorily. \_\_\_\_\_  
Please release payment to Contractor as requested (or amended).    OWNER'S SIGNATURE        DATE

APPROVED FOR PAYMENT:

\_\_\_\_\_  
SELF-HELP ENTERPRISES                      DATE     Mail     Pick-up

NOTES:

\_\_\_\_\_  
\_\_\_\_\_

Distribution:    **WHITE:** Self-Help Enterprises    **YELLOW:** Owner    **PINK:** Contractor    **GOLDENROD:** Supervisor



# COUNTY OF KINGS BOARD OF SUPERVISORS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362  
Catherine Venturella, Clerk of the Board of Supervisors

## AGENDA ITEM May 15, 2018

**SUBMITTED BY:** Administration –Rebecca Campbell  
California Public Finance Authority – Caitlin Lanctot

**SUBJECT:** CONSENT TO HOLD A TAX EQUITY AND FISCAL RESPONSIBILITY ACT (“TEFRA”) PUBLIC HEARING REGARDING ISSUANCE OF UP TO \$6,400,000 OF CHARTER SCHOOL REVENUE BONDS FOR FINANCING OR REFINANCING THE CONSTRUCTION, ACQUISITION, AND INSTALLATION OF FURNITURE, FIXTURES AND EQUIPMENT OF EDUCATION FACILITIES FOR CREDO HIGH SCHOOL

**SUMMARY:**

**Overview:**

Section 147 (f)(2) of the Internal Revenue Code of 1986 requires that, in order for the interest on such obligations to be excluded from gross income to investors for federal income tax purposes, the applicable elected representatives of the host governmental unit must approve the issuance of debt. This hearing and approval process is referred to as a “TEFRA” hearing, after the Tax Equity and Fiscal Responsibility Act of 1983, the regulations for which were promulgated under the Tax Code changes of 1986.

**Recommendation:**

- 1) Conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing; and
- 2) Adopt a Resolution approving the tax-exempt financing and the issuance of the obligations by the California Public Financing Authority for the Credo High School project.

**Fiscal Impact:**

None. The County’s participation bears with it no cost or financial obligation, but serves as a public acknowledgement of the facilities to be financed by the host jurisdiction. The County of Kings is in no way obligated on the obligations.

(Cont’d)

**BOARD ACTION:**

APPROVED AS RECOMMENDED: \_\_\_\_\_ OTHER: \_\_\_\_\_

I hereby certify that the above order was passed and adopted  
on \_\_\_\_\_, 2018.

CATHERINE VENTURELLA, Clerk to the Board

By \_\_\_\_\_, Deputy.

## **Agenda Item**

### **CONSENT TO HOLD A TAX EQUITY AND FISCAL RESPONSIBILITY ACT (“TEFRA”) PUBLIC HEARING REGARDING ISSUANCE OF UP TO \$6,400,000 OF CHARTER SCHOOL REVENUE BONDS FOR FINANCING OR REFINANCING THE CONSTRUCTION, ACQUISITION, AND INSTALLATION OF FURNITURE, FIXTURES AND EQUIPMENT OF EDUCATION FACILITIES FOR CREDO HIGH SCHOOL**

**May 15, 2018**

**Page 2 of 2**

#### **BACKGROUND:**

The California Public Finance Authority (CalPFA) is a political subdivision of the State of California established under the Joint Exercise of Powers Act for the purpose of issuing tax-exempt conduit bonds for public and private entities throughout California. CalPFA was created by Kings County and the Housing Authority of Kings County, California. CalPFA is empowered to promote economic, cultural, and community development opportunities that create temporary and permanent jobs, affordable housing, community infrastructure and improve the overall quality of life in local communities.

Credo High School (the “Borrower”), has requested that CalPFA issue revenue bonds in an amount not to exceed \$6,400,000 to finance and/or refinance the costs of: (a) tenant leasehold improvements to and the acquisition of furniture, fixtures and equipment for the use of the Borrower, in one or more buildings located at 1300 Valley House Dr., #100, Rohnert Park, California 94928 (the “Facilities”); (b) reimbursing the Borrower for costs incurred in connection with the Facilities; (c) funding a debt service reserve fund for the Bonds, if necessary; (d) paying capitalized interest on the Bonds, if required; (e) defeasing and redeeming the Authority’s previously issued Charter School Revenue Bonds (Credo High School Project) Series 2017A and Charter School Revenue Bonds (Credo High School Project) Taxable Series 2017B, which were issued to finance the costs of tenant leasehold improvements and the acquisition of furniture, fixtures and equipment for the use of the Borrower at the Facilities; and (f) paying certain Bond issuance expenses (collectively, the “Project”).

The Board has been asked to conduct the public hearing May 15, 2018 and to approve the issuance of the obligations as the host governmental unit. Proper notice has been made concerning this hearing.

The obligations would be repaid solely from amounts received pursuant to the terms and provisions of the financing agreements to be executed by the Borrower. The County would not be a party to the financing agreements. The obligations would not be secured by any form of taxation or any obligation of either the County or CalPFA. Neither would the obligations represent or constitute a general obligation of the County or CalPFA. The Borrower must indemnify CalPFA, including the County. All legal documents will contain clear disclaimers that the obligations are not obligations of the County or the CalPFA but are paid only from funds provided by the Borrower.

As announced in the published notice, this hearing is an opportunity for all interested persons to speak or to submit written comments concerning the proposal to issue the obligations and the nature of the facilities to be financed.

Participation by the County will not impact the County's appropriations limits and will not constitute any type of indebtedness by the County. Once the County holds the required public hearing and adopts the required resolution following the public hearing, no other participation of the County in the actions of the CalPFA or in the financing will be required.

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF KINGS, STATE OF CALIFORNIA

\* \* \* \* \*

IN THE MATTER OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KINGS APPROVING A FINANCING TO BE UNDERTAKEN BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,400,000, FOR THE PURPOSE OF FINANCING THE CONSTRUCTION OF EDUCATION FACILITIES AND ACQUISITION AND INSTALLATION OF FURNITURE, FIXTURES AND EQUIPMENT THEREFOR, REFUNDING CERTAIN BONDS PREVIOUSLY ISSUED BY THE AUTHORITY AND CERTAIN OTHER MATTERS RELATING THERETO

RESOLUTION NO. \_\_\_\_\_

WHEREAS, Credo High School (the “Borrower”), a California nonprofit public benefit member corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), has requested that the California Public Finance Authority (the “Authority”) adopt a plan of financing providing for the issuance of one or more series of tax-exempt and taxable charter school revenue bonds issued from time to time in an aggregate principal amount not-to-exceed \$6,400,000 (the “Bonds”) to finance and/or refinance the costs of: (a) tenant leasehold improvements to and the acquisition of furniture, fixtures and equipment for the use of the Borrower, in one or more buildings located at 1300 Valley House Dr., #100, Rohnert Park, California 94928 (the “Facilities”); (b) reimbursing the Borrower for costs incurred in connection with the Facilities; (c) funding a debt service reserve fund for the Bonds, if necessary; (d) paying capitalized interest on the Bonds, if required; (e) defeasing and redeeming the Authority’s previously issued Charter School Revenue Bonds (Credo High School Project) Series 2017A and Charter School Revenue Bonds (Credo High School Project) Taxable Series 2017B, which were issued to finance the costs of tenant leasehold improvements and the acquisition of furniture, fixtures and equipment for the use of the Borrower at the Facilities; and (f) paying certain Bond issuance expenses (collectively, the “Project”).

WHEREAS, the Project will be owned by the Borrower for federal income tax purposes and the Facilities are, and will continue to be, operated by the Borrower as a charter high school; and

WHEREAS, the Facilities are located within the City of Rohnert Park; and

WHEREAS, the Authority is a joint powers authority created by the County of Kings (the “County”) and the Housing Authority of Kings County and located in the County; and

WHEREAS, pursuant to Section 147(f) of the Code, the issuance of the Bonds by the Authority must be approved by the County; and

WHEREAS, the Board of Supervisors of the County (the “Board of Supervisors”) is the elected legislative body of the County and is the applicable elected representative under Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the Board of Supervisors has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and has determined to approve the issuance of the Bonds by the Authority; and

WHEREAS, the Board of Supervisors understands that its actions in holding this public hearing and in approving this Resolution do not obligate the County in any manner for payment of the principal of, interest on, fees or any other costs associated with the issuance of the Bonds, and said Board of Supervisors expressly conditions its approval of this Resolution on that understanding:

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF KINGS HEREBY RESOLVES THAT:

Section 1. The Board of Supervisors hereby approves the issuance of the Bonds by the Authority for the purposes of financing the Project. It is the purpose and intent of the Board of Supervisors that this Resolution constitute approval of the issuance of the Bonds by the Authority for the purpose of Section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Authority is located.

Section 2. The officers of the Board of Supervisors are hereby authorized and directed, jointly and severally, to do any and all things and execute and deliver any and all documents, certificates and other instruments which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing transaction approved hereby. Any actions heretofore taken by such officers are hereby ratified and approved.

Section 3. The Board of Supervisors expressly conditions its approval of this Resolution on its understanding that the County shall have no obligation whatsoever to pay the principal of, interest on, fees or any other costs associated with the Authority's issuance of the Bonds for the financing of the Project.

Section 4. This Resolution shall take effect from and after its passage and approval.

The foregoing Resolution was adopted upon motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_ at a regular meeting held on the 15th day of May, 2018, by the following vote:

AYES: Supervisors  
NOES: Supervisors  
ABSENT: Supervisors  
ABSTAIN: Supervisors

\_\_\_\_\_  
Chairperson of the Board of Supervisors  
County of Kings, State of California

IN WITNESS WHEREOF, I have set my hand this 15th day of May, 2018.

\_\_\_\_\_  
Clerk of said Board of Supervisors