RESOLUTION - ACTION REQUESTED 2012-390

MEETING: July 24, 2012

TO: The Board of Supervisors

FROM: Rick Benson, County Administrative Officer

RE: Establish HSLAB for the Revolving Loan Program and Appoint Members to the LAB

RECOMMENDATION AND JUSTIFICATION: Establish the Mariposa County Human Services Loan Advisory Board for the Revolving Loan Program; Appoint Jennifer Dickens, Pam Beery, and Cindy Larca to the Mariposa County Human Services Loan Advisory Board with Terms Expiring July 24, 2015.

Jennifer Dickens of Westamerica Bank, Pamela Berry of Yosemite Bank, and Cindy Larca of the Mariposa County Human Services Department volunteered to serve on the LAB. These persons demonstrate the professional capacity to review and evaluate consumer loans.

PURPOSE: The purpose of the Mariposa County Human Services Loan Advisory Board is to review applications and select eligible homeowners for housing rehabilitation projects. Moreover, the California Department of Housing and Community Development require jurisdictions to conduct a local review of eligible applications.

NUMBER OF MEMBERS ON COMMITTEE: The Mariposa County Human Services Loan Advisory Board (LAB) shall be made up of three persons. LAB members may be from local financial institutions or other interested parties who demonstrate the professional capacity to review and evaluate consumer loan applications.

TERMS: The term to serve on the LAB is three years.

BACKGROUND AND HISTORY OF BOARD ACTIONS: The California Department of Housing and Community Development Block Grant (CDBG) requires jurisdictions who receive grant funding for the revolving loan program establish and maintain a loan advisory board to review necessary documents prior to loan approval for home owner occupants.

On November 15, 2012, the County Board of Supervisors approved the Mariposa County Housing Rehabilitation Guidelines (Resolution 11-563), which defines and establishes parameters for the Housing Rehabilitation Loan Program.
Resolution - Action Requested 2012-390

Approximately $71,000 is available to home owner occupants for the rehabilitation of units; and, up to $5,000 is available per unit.

Attached is an excerpt of the CDBG Housing Guidelines that were approved by the County Board of Supervisors on November 15, 2011, Resolution Number 11-563.

Also, attached is the Notice of Vacancy along with responses from the public expressing interest to participate on the Human Services LAB. The Maddy Act has been satisfied.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

ATTACHMENTS:
Housing Guidelines excerpt (PDF)
Reso 11-563(PDF)
NOTICE OF VACANCY LAB (DOC)
Ltrs of interest (PDF)

CAO RECOMMENDATION
Requested Action Recommended

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Lyle Turpin, District II Supervisor
SECONDER: Lee Stetson, District I Supervisor
AYES: Stetson, Turpin, Bibby, Cann, Allen
ATTACHMENT "3"

MARIPOSA COUNTY

HOUSING REHABILITATION PROGRAM GUIDELINES

I. APPLICANT ELIGIBILITY

Conflict of Interest
No member of the governing body of the locality and no other official, employee, or agent of the county government who exercises policy, decision-making functions, or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program, unless the application for assistance has been reviewed and approved according to applicable California Department of Housing and Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual’s relationship with the county ends.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. 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. Reimbursement occurs after the installation is verified by the Construction Supervisor to be part of the scope of work. Owner/builders are not reimbursed for labor.) The County reserves the right to determine if the owner is capable of owner/builder rehabilitation work.

Income
Owner Occupant - To be eligible, household income must be equal to, or less than, the applicable HCD income guidelines. Owner will be required to provide income documentation. (See attached Annual Household Income Definition/Income Limits)

Occupancy
Only owner occupied property is eligible for this program.

Fair Housing
This program will be implemented in ways consistent with the county’s commitment to Fair Housing. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development Block Grant (CDBG) funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (children), physical or mental disability, sexual orientation, or other arbitrary cause.

II. PROPERTY ELIGIBILITY

Location
Units to be rehabilitated must be located within current unincorporated areas of Mariposa County.

Rehabilitation Standards
All repair work will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards.

Property Improvements
All improvements must be physically attached to the property and permanent in nature. General property improvements should be limited to 15% of the rehabilitation loan amount. Luxury items are not permitted.
Lead-Based Paint
Program participants rehabilitating homes constructed prior to January 1, 1978 must be provided with the proper disclosure notification concerning lead-based paint (LBP) hazards. Whenever pre-1978 houses are rehabilitated under CDBG, please refer to Chapter 20, Lead-Based Paint Requirements for guidance. The costs associated with meeting these requirements are eligible to be paid for with CDBG funds, and should be considered during program design.

III. FINANCING

Owner Occupant
Limits - Maximum assistance with CDBG funds is $5,000. Total indebtedness against property will not exceed 100 percent of after rehabilitation value. Rehabilitation costs for CDBG funded jobs may be supplemented with personal financing or with other loan or grant programs, which are sources of leverage for the county.

Types of Financing and Terms
Deferred Payment Loans (DPL) - Three percent (3%) interest bearing loan, secured by a deed of trust, with payback required at 15 years or until the participant sells or transfers title or discontinues residence in the dwelling, unless sold or transferred to a targeted income group household (see IV.A.2). Payments may be made voluntarily on a DPL.

Determining Eligibility

3. Every targeted income group owner occupants who are determined to be eligible for the CDBG program may receive DPL financing.

4. A limited number of $5,000 loans are available as follows:

   - Senior Citizen - at least 62 years old.
   - Handicapped - only for handicap modifications to a house with one or more physically handicapped occupants who would function more independently if such modifications were installed.
   - Lowest Targeted Income Group - with gross annual income less than 50 percent of county median income.

Maximum Loan-to-Value
The maximum encumbrance will normally be limited to (100%) of the property’s after-rehabilitated value.

When the ratio is at or above (80%) the county may require an appraisal.

Debt-to-Income Ratio

Applicants whose debt to income ratio exceeds (36%) may be considered ineligible to participate in the program.

Types and Terms of Financing

Amortized loan - Below Market Interest Rate (BMIR) loan at ___ percent interest, secured by a deed of trust.
and with a maximum term of 15 years.

Combined financing - 70% percent of rehabilitation costs as a BMIR loan and 30% percent as a DPL. A DPL is a 3% interest bearing loan secured by a deed of trust with payback required at 15 years or until the owner investor sells or otherwise transfers title to the rehabilitated property, unless sold or transferred to a targeted income group household. Payments may be made voluntarily on a DPL.

Compliance -- Failure to comply with these terms and conditions will result in the loan becoming due and payable. If necessary, foreclosure proceedings will be instituted.

Maintenance Agreement
As specified in the Rehabilitation Loan Agreement, an owner investor who participates in the program must maintain the property at post-rehabilitation conditions for a minimum of five years. Should the property not be maintained accordingly, the loan will become due and payable, and if necessary, foreclosure proceedings will be instituted.

IV. RESIDENCY REQUIREMENTS

Owner Occupant
Owner occupants will be required to submit to the county between January 1 and 15 of each year for the term of the loan:

- Proof of occupancy in the form of a copy of a current utility bill.
- Statement of unit’s continued use as a residence.
- Declaration that other title holders do not reside on the premises.

In the event that an owner occupant sells, transfers title, or discontinues residence in the rehabilitated or purchased property for any reason, the loan is due and payable.

If the owner occupant sells or otherwise transfers title of the property to a targeted income group household, the county will consider subordinating the loan and continuing all or part of the lien as a DPL.

If the owner occupant dies, and if the heir to the property lives in the house and is income eligible, the heir may be permitted, upon approval of the County of Mariposa, to assume the loan at the rate and terms the heir qualifies for under current participation guidelines.

If the owner occupant dies and the heir is not income eligible, the loan is due and payable. If the owner occupant dies and the heir is not income eligible, but he or she chooses to rent the unit to TIG households and agrees to comply with owner investor restrictions, the heir may be permitted, upon
RESOLUTION NO. 11-563

A RESOLUTION OF THE COUNTY OF MARIPOSA TO APPROVE THE MARIPOSA COUNTY HOUSING REHABILITATION PROGRAM GUIDELINES

WHEREAS, the County of Mariposa is required to have adopted and State approved Housing Rehabilitation Program Guidelines (Guidelines) that defines the parameters of the Housing Rehabilitation Loan Program; and,

WHEREAS, the County of Mariposa wishes to establish the Mariposa County Housing Rehabilitation Program Guidelines in compliance with the State of California Housing and Community Development (HCD) standards, which will provide maximum flexibility in meeting the needs of the local community;

NOW, THEREFORE BE IT RESOLVED by the County of Mariposa as follows:

SECTION 1:
The County of Mariposa hereby approves the Housing Rehabilitation Program Guidelines, dated November 15, 2011, attached hereto as Attachment "3".

SECTION 2:
Upon approval of Housing Rehabilitation Program Guidelines (Guidelines), the Human Services Director or his designee is authorized to sign the Guidelines and all administrative reports related to the above-mentioned document attached hereto as Attachment "3".

PASSED AND ADOPTED at its regular meeting of the Board of Supervisors of the County of Mariposa was held on November 15, 2011, by the following vote:

AYES: STETSON, TURPIN, BIBBY, CANN, ALLEN
NOES: NONE
ABSENT: NONE

Jim Allen, Chairman of the Board

APPROVED AS TO FORM

Steven W. Dahlem, County Counsel

ATTEST
Margie Williams, Clerk of the Board
NOTICE OF VACANCY

Please be advised that three vacancies exist on the Mariposa County Human Services Loan Advisory Board (LAB).

Two of the applicants must represent a local bank and must be experienced in either commercial or consumer lending. The third applicant must be the fiscal officer of the Mariposa County Mariposa Human Services Department.

Term of office for this position is three (3) years from the date of appointment. The purpose of the Loan Advisory Board is to review and approve loan applications from low and moderate income persons seeking to rehabilitate their home.

Individuals interested in serving on the Mariposa County Human Services Loan Advisory Board should submit a letter of interest addressed to the Clerk of the Board, Post Office Box 784, Mariposa, California 95338 or email mwilliams@mariposa county.org or contact Jim Rydingsword, Director of Human Services Department at (209) 966-2000, no later than March 29, 2012.

Posted: 3/8/12
HS.MCHS LAB
March 15, 2012

Margie Williams
Mariposa County Clerk of the Board
P.O. Box 784
Mariposa, CA 95338

Dear Ms. Williams:

I am willing to serve on the Human Services Loan Advisory Board.

Sincerely,

[Signature]

Jennifer Dickens
Assistant Customer Service Manager
Margie Williams

From: Beery, Pamela (pbeery@ycsemitebank.com)
Sent: Thursday, March 08, 2012 8:52 AM
To: Margie Williams
Subject: Mariposa County Human Services Dept Loan Advisory Board

Please accept this email as my willingness to serve as a volunteer committee member. Thank you.

Pam Beery
Business Development Officer
Mariposa Branch
(209) 966-5444

"NOTICE: This communication may contain confidential or other privileged information. The recipient should not rely upon it. If you do not wish to receive future emails from this sender, please indicate your preference.

3/8/2012
From: Margie Williams
Sent: Monday, March 12, 2012 10:46 AM
To: Janet Bibby; Jim Allen; Kevin Cann; Lee Stetson; Lyle Turpin
Cc: Marilyn Lidyoff; Tracy Gauthier
Subject: FW: MCHSD Loan Advisory Board

Attachments: Notice of vacancy to loan advisory board.pdf

Tracy –
Please print and add to pending committee.
Margie

From: Cindy Larca [mailto:clarca@mariposehsc.org]
Sent: Friday, March 09, 2012 10:34 AM
To: Margie Williams
Cc: James Rydingsword (Gmail)
Subject: MCHSD Loan Advisory Board

Margie,
Ask requested - I am willing to serve on this board.
Thanks,

Cynthia Larca

Fiscal Officer
Mariposa County Human Services
P.O. Box 99
Mariposa, Ca. 95338
ph:209-966-2000 x935
Direct line: 209-742-0935
clarca@mariposehsc.org

small people logo.jpg
August 3, 2012

Cynthia Larca, Fiscal Officer
Mariposa County Human Services Department
P.O. Box 99
Mariposa, CA 95338

Dear Cindy:

I am pleased to inform you that at their regular meeting on July 24, 2012, the Board of Supervisors took action and appointed you to the Human Services Loan Advisory Committee. This term expires on July 24, 2015. The office assigned to this committee is the Human Services Department.

Congratulations on your appointment. We appreciate your willingness to serve your community on this advisory committee.

Should you have any questions, please feel free to contact Jim Rydingsword, Human Services Director at (209) 742-0892.

Very truly yours,

Janet Bibby
Chair

HS LAB_Larca
Cc: J. Rydingsword
August 3, 2012

Jennifer Dickens, Assistant Customer Service Manager
WESTAMERICA
P.O. Box 157
Mariposa, CA 95338

Dear Ms. Dickens:

I am pleased to inform you that at their regular meeting on July 24, 2012, the Board of Supervisors took action and appointed you to the Human Services Loan Advisory Committee. This term expires on July 24, 2015. The office assigned to this committee is the Human Services Department.

Congratulations on your appointment. We appreciate your willingness to serve your community on this advisory committee.

Should you have any questions, please feel free to contact Jim Rydingsword, Human Services Director at (209) 742-0892.

Very truly yours,

Janet Bibby
Chair

HS LAB_Dickens
Cc: J. Rydingsword

Mariposa County - An Equal Opportunity Employer
August 3, 2012

Pam Beery, Business Development Officer  
Yosemite Bank  
P.O. Box 1267  
Mariposa, CA 95338

Dear Ms. Beery:

I am pleased to inform you that at their regular meeting on July 24, 2012, the Board of Supervisors took action and appointed you to the Human Services Loan Advisory Committee. This term expires on July 24, 2015. The office assigned to this committee is the Human Services Department.

Congratulations on your appointment. We appreciate your willingness to serve your community on this advisory committee.

Should you have any questions, please feel free to contact the Human Services Director, Jim Rydingsword at (209) 742-0892.

Very truly yours,

Janet Bibby  
Chair

HSDLAB_Beery  
Cc: J. Rydingsword