



# **INCLUSIONARY HOUSING ORDINANCE**

## **ADMINISTRATIVE GUIDELINES**

**City of Jurupa Valley  
Community Development Department  
8930 Limonite Avenue  
Jurupa Valley, CA 92509**

**Adopted by the Jurupa Valley City Council on September 21, 2023**

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## **Introduction**

### **Adoption**

The City of Jurupa Valley adopted an Inclusionary Housing Ordinance (“Ordinance”) in 2022, adding Chapter 9.267. – Inclusionary Housing Requirement and Affordable Housing In-lieu Fee to Title 9 – Planning and Zoning of the Jurupa Valley Municipal Code (“Code”). The purpose of the Ordinance is to encourage the development and availability of affordable housing by ensuring that the addition of affordable housing units is in proportion with the overall increase in new housing units. The Ordinance also implements policies contained in the Housing Element including encouraging development of a range of creative and affordable housing types to accommodate unhoused persons, seniors, persons with disabilities and other low-income populations, conserving affordable housing stock and collaborating with developers to identify sites for affordable housing development.

### **Intent of Guidelines**

The Guidelines in this document are intended to supplement and support the Inclusionary Housing Ordinance of Jurupa Valley. They will assist in interpreting the Ordinance early in the development process so that residential development projects are designed from the beginning in compliance with the requirements of the Ordinance. Throughout these Guidelines, the term *Director* means the Community Development Director of the City of Jurupa Valley.

### **Guidelines and Ordinance**

These Guidelines should be read in conjunction with the Ordinance. While every effort has been made to ensure that these Guidelines are consistent with the Ordinance, if there is any conflict or discrepancy between these Guidelines and the Ordinance, the Ordinance shall prevail. In addition, the provisions of an Affordability Agreement (or like Agreement) recorded against a property or inclusionary units shall prevail over any general requirements of the Ordinance. Users of these Guidelines are encouraged to seek their own legal counsel to aid in understanding the requirements of the City’s Inclusionary Housing Program. For any general questions regarding the Guidelines, you may call the Community Development Department at 951-332-6464 or email at [planninginfo@jurupavalley.org](mailto:planninginfo@jurupavalley.org).

## **Interpretation**

The Community Development Director (Director) or designee is authorized to determine the number of dwelling units contained within a particular residential development, if a determination is needed or to resolve a disagreement. When a question arises regarding the meaning or interpretation of any provision of the Ordinance or these Guidelines, the Director is authorized to render a decision in writing. The Director may make interim revisions, interpretations or clarifications to these Guidelines if the Director considers the revision, interpretation, or clarification to be minor and consistent with the purposes of the original Ordinance and the Guidelines.

To the extent that state or local regulations are inconsistent with the requirements herein pertaining to the amount of the fee, length of the restriction, or level of affordability, the more restrictive regulations shall apply

## **Housing Law Compliance**

The City is committed to complying with all applicable state and federal housing laws and regulations, including those related to implementation of its adopted Housing Element. All parties required to comply with the City's Inclusionary Housing Ordinance are also required to comply with all applicable local, state and federal housing laws and regulations.

## **Inclusionary Requirements**

### **Applicability**

The Ordinance applies City-wide to all residential development, including mixed-use projects where the lots or units will be offered for sale or for rent effective September 17, 2022. However, in accordance with the Code, inclusionary units are not required for the following projects:

1. Projects that are not a residential development.
2. Any project for which the City enters into a development agreement under Government Code 65964 that provides inclusionary housing obligations comparable to the Ordinance and alternative community benefits or for any project that is otherwise exempt under state law.
3. Construction of units under an agreement with the City that restricts occupancy to lower- or moderate-income households at an affordable housing cost for not less than 55 years (or 45 years for ownership units).
4. Construction of homeless shelters, community care facilities, health care facilities, and single room occupancy units.
5. Construction of a dwelling unit to replace a previously existing dwelling unit on the same lot that was demolished or destroyed within the last five years.

6. Construction of accessory dwelling units as defined by Government Code Section 65852.2(j).
7. Home remodels and additions.
8. Density bonus units.
9. Units constructed pursuant to Government Code Sections 65852.21 and 66411.7 (“SB 9”) as the City’s SB 9 ordinance requires that one of the units have an affordability covenant recorded against it. If the City’s urgency ordinance expires without adopting a permanent ordinance that contains an affordability requirement, then SB 9 projects would be subject to the inclusionary housing requirement.
10. A residential project that was approved by the city before September 17, 2022. Notwithstanding the foregoing, the Ordinance would apply to any residential project that applies to modify its project after it has been approved by the city, and the modification increases the density of the project. In that scenario, this Ordinance shall only apply to the additional units created by the modification.
11. Mobile homes.

### Calculating the Obligation

All residential development shall provide 7% of the total number of dwelling units as affordable to moderate, low and very low-income households as follows:

- First inclusionary unit rented or sold to a moderate-income household
- Second inclusionary unit rented or sold to a low-income household
- Third and fourth inclusionary units rented or sold to a very low-income household
- All subsequent units follow the same distribution and affordability, so that 25% are for moderate-income households, 25% for low-income households, and 50% for very low-income households

For a fractional unit requirement of 0.5 and above, the fraction will be rounded up and treated as a whole unit.

#### **EXAMPLE: Calculating Obligation**

1. Developer proposes 80-unit residential project
2. Inclusionary Housing Obligation:  
80 units x 0.07 = 5.6 Inclusionary Units, rounds up to 6 Inclusionary Units  
2 units (first and fifth) as moderate-income, 2 units (second and sixth)  
as low-income and 2 units (third and fourth) as very low-income

## **Meeting the Requirement**

There is a shortage of housing in Riverside County, and the region, that is affordable to extremely low, very low, low and moderate-income households. Affordable housing provides opportunities for a segment of the population that the market might not otherwise provide on its own. The Ordinance and Guidelines seeks to provide these opportunities while still allowing developers to provide market driven housing options. The standards and methods of compliance to meet these goals are defined below.

### **Standards**

A variety of factors are considered in planning affordable housing and meeting the inclusionary requirements defined in the Ordinance, such as the location of the housing, the type of housing, design and amenities. These factors are further defined below and set standards to meet the goals while ensuring that the obligation does not negatively affect the community.

#### Location of Inclusionary Units in the Project

Inclusionary units shall be reasonably dispersed throughout the residential project.

#### Design

Inclusionary units must be indistinguishable from the market-rate units in the development, in terms of size, design, materials, finished quality, and appearance and compatible with the design of other units in the residential housing development.

#### Bedroom Mix

Inclusionary units shall be a similar unit type and be proportional in number of bedrooms and location to the market-rate units.

#### Access to Amenities

Inclusionary units shall have the same access to project amenities and recreational facilities as market-rate units.

## **Determining Methods of Compliance**

The City encourages the satisfaction of the inclusionary housing unit requirement through the development of all the required inclusionary units within the residential development. In addition, the City encourages affordable housing on sites that are in proximity to or will provide access to employment opportunities, urban services or major roads or other transportation and that are compatible with adjacent land uses. However, as an alternative, the requirement may be met through payment of an in-lieu fee, which is established by the City Council. The City recognizes that there may be a need to provide greater flexibility to developers seeking to satisfy their requirements due to unique



conditions of the project and/or the varied needs of the community. The City may request information from a developer in determining the feasibility of one or more of the compliance alternatives, including but not limited to the factors below. All alternative compliance measures must produce at least the same number and affordability of units that would have been provided on-site. All alternative compliance measures are subject to review and approval of the City Manager, with the option of review and approval by the City Council.

## **Compliance Alternatives**

A developer may propose to satisfy the Inclusionary Housing requirement by any combination of the following alternatives.

### **Off-Site**

Applicants may provide (or have a third party provide) allocated units off-site. Off-site units must be in the same general area as the unallocated units of the development as determined by the Community Development Director, unless the Community Development Director determines that locating the off-site units in a different area of the City would better serve the General Plan housing goals of the City. The applicant (or third party if applicant has entered into an agreement with the third party) shall submit evidence that the applicant (or third party) owns, leases (pursuant to an executed ground lease of at least 55 years from the date the offsite units would be produced) or has an irrevocable option to purchase the site. A building permit for the residential development will not be issued until the allocated units off-site are under construction.

### **Land Dedication or Conveyance**

An applicant may propose to dedicate or convey land within City boundaries under the following conditions.

1. Provide a written analysis demonstrating that the land is free of environmental contamination.
2. Provide evidence that the applicant owns or has an irrevocable option to purchase the land.
3. Land shall be identified and offered for dedication or conveyance at the time of entitlement application submittal. If the offer is accepted by the City Council, the land must be donated to the City no later than the date of City Council's approval of the final subdivision map, or housing development application, and have all permits and approvals (except building permits), necessary for development with the required number of affordable units.
4. The City Manager will recommend to the City Council whether the dedication should be accepted.

### **Conversion of Market-rate Units to Affordable**

An applicant may propose to convert existing market-rate units within the City of Jurupa Valley to affordable units in an amount equal to or greater than the required on-site inclusionary housing requirement, including any needed rehabilitation to ensure compliance with building, health and safety standards.

### **Preservation of At-Risk Housing**

An applicant may offer to purchase long term affordability covenants at an existing deed restricted affordable housing project at imminent risk of contract termination and conversion to market-rate housing. The number of units preserved must be equal to or greater than the required on-site inclusionary housing requirement.

### **Affordability Level Credit**

The City has a greater need for housing for very low and low-income households and encourages developers to provide for these households. Developers can construct fewer than the allocated units, if the units will be at a deeper affordability level.

### **Innovative Alternatives**

The City encourages innovative alternatives to providing affordable housing not outlined in the Ordinance. The alternatives will be evaluated by staff and considered on a case-by-case basis. Substitute programs will be permitted provided, at the recommendation of staff and determination of the City Council, that the objectives of the inclusionary housing ordinance are being met with the alternate proposal.

### **In-Lieu Fee Option**

Developers may propose to satisfy any portion of their requirements through payment of an in-lieu fee, including a prorated in-lieu fee or partial units as described earlier in these Guidelines. The in-lieu fee is calculated using the total square footage of market-rate residential development. The total square footage of market-rate residential development includes all livable (net) square footage including the garage area. The fee is established by resolution of the City Council and is updated periodically.

The full in-lieu fee must be paid to the City prior to the issuance of the first building permit for the residential development project. The Housing Division will issue an Inclusionary Housing In-Lieu Fee Certificate when a property owner elects to pay an in-lieu fee in accordance with Chapter 9.267.

### **Process**

The City's goal is to ensure that inclusionary housing is considered early in the planning process and included as part of any master planning. The Inclusionary Housing

Ordinance is implemented primarily through two documents: the Inclusionary Housing Plan and the Affordability Agreement. The Inclusionary Housing Plan provides details about how the provisions in the Ordinance will be implemented for the proposed project. The Affordability Agreement and any deed restrictions or regulatory agreement set forth the ongoing affordability and other restrictions applicable to the Inclusionary Units once they have been completed.

### **Optional: Inclusionary Housing Preliminary Review Application**

A developer subject to the (1) Inclusionary Housing provisions and (2) proposing a housing development pursuant to the Ordinance may submit an “Inclusionary Housing Preliminary Review Application” prior to the submittal of any formal entitlement application(s) for approval. After submission of the Inclusionary Housing Preliminary Review Application, applicants are encouraged to schedule a pre-application meeting with designated staff (e.g., Community Development, Building and/or Engineering) to discuss and identify potential application issues.

An Inclusionary Housing Preliminary Review Application shall include the following information:

- A brief description of the proposed housing development, including the total number of units, bedroom count, and inclusionary units proposed;
- A conceptual site plan;
- The zoning and general plan designations and assessor parcel number(s) of the project site; and
- A title report (with active links).

The City will provide the applicant with a letter which identifies project issues of concern and the procedures for compliance with this policy.

### **Petition for Waiver or Reduction of Inclusionary Housing Requirement**

An applicant may request a waiver or reduction in the requirements of the Ordinance, provided that the applicant provides evidence of economic hardship, such as inability to achieve a reasonable commercial profit, which must be verified by an independent third-party review at the applicant’s sole cost. The review requires a comparison of the applicant’s proposed costs and rental/sale revenue assumptions with current market standards, including a market-rate of return on cost. The waiver or reduction request must be approved by the City Council.

### **Time Limit for Inclusionary Restrictions**

A rental unit shall remain restricted to the target income level group at the applicable affordable housing cost for a minimum of fifty-five (55), while a unit for sale shall be restricted in the same manner for forty-five (45) years).

## **Inclusionary Housing Plan**

An applicant shall submit an Inclusionary Housing Plan, in a form specified by the Director, detailing how the inclusionary housing requirement will be implemented for the proposed project.

All inclusionary housing plans shall be subject to the approval of the Community Development Director with the option of review and approval by the City Council. No building permit shall be issued for a project unless the Director or City Council has approved the Inclusionary Housing Plan. The approved Inclusionary Housing Plan must be fully implemented prior to issuance of a Certificate of Occupancy for the project.

### **Content**

The Inclusionary Housing Plan shall contain the following information:

- A brief description of the residential development including the number of market-rate and inclusionary units proposed, and the basis for the calculation of the number of inclusionary units.
- The unit-mix, location, structure type, and size of the market-rate and inclusionary units, and whether the residential development is an ownership or rental project.
- A site plan depicting the location of the inclusionary units.
- A brief description of how the project complies with the standards for inclusionary units.
- The income level (moderate, low or very-low income) of each of the inclusionary units; In the event the developer proposes a phased project, a phasing plan that provides for the timely development of the inclusionary units as the residential development is built out. The phasing plan shall provide for development of the Inclusionary Units before or concurrently with the market-rate units.
- If the developer intends to satisfy the inclusionary unit requirement by payment of an in-lieu fee, a statement to that effect, and a calculation of the total in-lieu fee is required. Fee must be paid prior to the issuance of the first building permit for the residential development project.
- If an alternative compliance measure is proposed, information necessary to establish compliance must be included in the Inclusionary Housing Plan and approved by the City Manager, with the option of review and approval by the City Council.

### **Enforcement**

No building permit shall be issued unless the Community Development Director has approved the Inclusionary Housing Plan. A Certificate of Occupancy shall not be issued for a project unless the approved Inclusionary Housing Plan has been fully implemented.

## **Affordability Agreement**

Except for those cases where the requirements are satisfied by payment of an in-lieu fee or conveyance of land to the City, developers whose projects are subject to the Ordinance shall enter into an Affordability Agreement with the City.

An applicant shall execute and cause to be recorded an Affordability Agreement. The agreement shall be a legally binding, recorded agreement between the applicant and the City, in a form and substance satisfactory to the Community Development Director and City Attorney and containing those provisions necessary to ensure that the requirements of the Inclusionary Housing Ordinance are satisfied, whether through the provision of inclusionary units or through an approved alternative compliance measure.

Once the residential development, including allocated inclusionary units, has received its final discretionary approval, the applicant shall file an Affordability Agreement application, including payment of any processing and monitoring fees with the Community Development Department for review and approval of the Affordability Agreement.

### **Content**

An Affordability Agreement shall include, at a minimum, the following information:

- The number of total units within the residential development and the Inclusionary Units proposed.
- The proposed location of the Inclusionary Units.
- Schedule for production of dwelling units.
- Affordability period.
- Indicate whether the Residential Development is an ownership or rental project.
- The number and size of Very Low-, Low- or Moderate-Income Units, location of units, square-footage of units.
- Amenities and services provided, such as daycare, after school programs, transportation, job training/employment services and recreation.
- Provisions for resale or rental restrictions, monitoring affordability of the units.
- Determination of income-eligible households.

Where applicable, requirements for other documents to be approved by the City, such as marketing, leasing and management plans; financial assistance/loan documents; resale agreements; and monitoring and compliance plans.

### **Enforcement**

No building permit shall be issued for all or any portion of the Residential Development unless the Affordability Agreement has been recorded encumbering the project site.

For those residential development projects that has an approved tentative map, the Affordability Agreement is executed prior to final map approval and shall be recorded prior to, or concurrent, with the recordation of the final map, unless the Community Development Director approves an alternative schedule.

### **Recordation**

The Affordability Agreement is recorded as a covenant against the real property of the Residential Development and will run with the land.

The Community Development Director may require the execution and recording of any necessary documents to ensure enforcement; including, but not limited, to promissory notes, deeds of trust, resale restrictions, rights of first refusal, options to purchase, and/or other documents, which shall be recorded against all inclusionary units.

In the case where satisfaction of the inclusionary housing requirements is being met through the development of off-site inclusionary units, the agreement will be simultaneously recorded on both the title to the property where the off-site inclusionary units are to be developed and the residential development. Upon the completion of the construction of inclusionary units and their occupancy by income-eligible households, the agreement shall be released from the record title of the market-rate residential development site.

### **Determining Affordability**

The City of Jurupa Valley uses the definitions and data published by the State of California Department of Housing and Community Development (HCD) to define income levels and affordability of housing.

#### **Income Levels**

HCD currently utilizes U.S. Department of Housing Urban Development (HUD) data in establishing income levels, which publishes income charts that identify the annual and monthly maximum incomes for lower income households for the Riverside County area. The City of Jurupa Valley uses the Area Median Income (AMI) for Riverside County, since HUD does not provide median income data for specific cities. These income charts are shown in Exhibit 1 and are available at the office of the Jurupa Valley Community Development Department and on its [Housing Division website](#).

The City uses this income data as a basis for calculating the maximum rents and sales prices permitted under the City's Affordable Housing Programs. The City's affordability requirements refer to the following income categories, which are based on various percentages of the AMI:

<u>Income Category</u>	<u>Percentage of Area Median Income</u>
<u>Very Low</u>	<u>50% or less</u>
<u>Low</u>	<u>Above 50% - 80%</u>
<u>Moderate</u>	<u>Above 80% - 120%</u>

**Income Adjusted for Household Size**

The Area Median Income (AMI) as published by HUD corresponds to the area median income for a household of four. The AMI is then adjusted for household size. HUD sets the median incomes for other household sizes by applying a multiplier to the median income of a household of four.

The City uses these income limits for setting the eligibility of renters and buyers under its affordable housing programs. Households are considered eligible if their income does not exceed the income for their household size at the upper end of their targeted income level.

<p><b>EXAMPLE: Determining Income Level</b></p> <ol style="list-style-type: none"> <li>1. Targeted Income Level = Low Income</li> <li>2. Family (household size of 3) annual income = \$50,000</li> <li>3. Maximum annual income for a Low-Income household of 3 persons at 80% AMI = \$67,100</li> <li>4. Family is qualified as Low Income</li> </ol>
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**Affordability = 30% of Income**

The term “affordable” may have a wide range of meanings to the public, but in the City’s usage, it has a specific meaning. The City, as well as most state and federal housing programs, define affordable as total housing costs that do not generally exceed 30% of the gross annual household income of any given income group (reference California Health and Safety Code Sections 50052.5 and 50053).

**EXAMPLE: Affordable Housing Costs**

The annual income of a five-person household is \$ 70,000. Maximum income for a five-person low-income household at 80% AMI = \$80,550

**Maximum monthly affordable housing cost =**

$$\begin{aligned} & \text{Annual income} / 12 \times .30 \\ & = \$70,000 / 12 \times .30 = \$5,833 \times .30 \\ & = \underline{\$1,750 \text{ maximum monthly housing cost}} \end{aligned}$$

OR

Annual income of a five-person household is \$100,000. Maximum income for a five-person moderate-income household at 120% AMI = \$122,450

**Maximum monthly affordable housing cost =**

$$\begin{aligned} & \text{Annual income} / 12 \times .30 \\ & = \$100,000 / 12 \times .30 = \$8,333 \times .30 \\ & = \underline{\$2,450 \text{ maximum monthly housing cost}} \end{aligned}$$

The monthly housing cost limits and purchase price estimations given here are based on the following assumptions (reference California Health and Safety Code Section 6920):

- Appropriate household size is defined as the number of bedrooms in a unit plus one, i.e., a one-bedroom unit is based on a 2-person household, a two-bedroom unit is based on a 3-person household and so on.

## Determining Household Income

Applicants' household annual gross income shall be calculated in accordance with the

[Technical Guide for Determining Income and Allowances for the HOME Program](#) published by the U.S. Department of Housing and Urban Development (HUD), as it may be amended (HOME Guide) and [24 CFR 5.609](#).

## Documentation to Verify Sources of Income

The gross annual incomes of all household members age 18 or older are considered when determining eligibility. The types of income to be verified and the type of documentation that will be required will include:

- 2 months most recent pay stubs
- Signed copies of federal tax returns for the two most recent years



- Form W-2, Wage and Tax Statement, for the most recent year
- Form 1099-MISC for the most recent year
- Self-employed, the net income from operation of the business
- Bank statements for the last two consecutive months
- Other sources of income such as child support, alimony, social security, etc.

All income documentation is based primarily on the applicant’s income for the past year as evidenced by the documents listed above and additional verification, if requested, as listed below. Income calculations will not factor in any speculative or uncertain projection of lower or higher future earnings, such as calculations of bonuses and overtime, than was earned in the previous year. Where major changes have occurred in life circumstances since the applicant’s last year of employment, including only such major changes as retirement, job loss, or disability or death of a wage earner, the project losses may be deducted from the applicant’s income for the past year.

Additional income verification may also be requested as follows:

<b>Source of Income</b>	<b>Documentation</b>
Salaries and wages	Verification from Employer
Business Income	Verification of Income by a certified public accountant or bookkeeper including most recent quarterly profit/loss statement. For self-employed individuals or sole proprietors, the most recent Form 1099 and tax returns may be used.
Interest and dividend income	Current bank statements or dividend statements
Retirement and insurance income	Verification from source
Unemployment and disability income	Verification from source
Welfare assistance	Verification from source
Alimony, child support, gift income	Verification from source
Armed forces income	Verification from source
Other	Verification from source

Household income includes all payments from all sources received by all adult members of the household. The income of minors (household members less than 18 years old) and live-in aides is excluded.

For self-employed persons, the net income from the operation of the business is considered as the annual income, excluding deductions for capital expenditures and depreciation. Net income from property rental is considered as annual income, also excluding deductions for capital expenditures and depreciation.

## Assets

The following chart contains the types of assets to be verified and the types of documentation that will be requested.

<b>Assets</b>	<b>Documentation</b>
Checking account, savings account, mutual fund, money market fund, certificates of deposit (CD)	Copies of two most recent statements
Stocks, including options	Copy of most recent stock certificate or proof of purchase and statement of current value; for stock prices attach a copy of recent dated newspaper or online source that shows the value of each company's stock
Bonds, including savings bonds	Copies of most recent document
Trust	Copies of most recent document
Gift	Signed gift letter by all parties
Personal Loan	Letter or loan agreement
Down payment assistance	Copy of agreement
Other	Verification from source

## Calculating Affordable Rents

For a rental unit, total housing costs include the monthly rent payment as well as consideration for a utility allowance (reference 25 California Code of Regulations Section 6918). Information on utility allowances can be obtained from the City and it is based upon the schedule adopted by the Housing Authority of the County of Riverside and approved by HUD, reference Exhibit 2. The utility schedule varies by number of bedrooms in a unit and by the various utility combinations.

Affordable rental rates are based upon a targeted income level. It is impractical to set individual maximum rents on the actual income of each household to reside within the affordable unit.

Estimated rental rates are provided only as rough guides, as there are several variable factors that are used when calculating rental rates. The state and federal government housing programs may make various adjustments for bedroom size and target income percentages. The examples provided in these Guidelines summarize the commonly used methods for affordable rental projects, reference Exhibit 3.

**EXAMPLE: Affordable Housing Costs**

- 3 Bedroom apartment affordable to a low-income household  
Affordable rent calculated at 60% AMI (Family of 4:  $\$94,500 \times 60\% \times 30\%/12$ )  
Maximum monthly affordable rent = \$1,417.50 – utility allowance  
OR
- 3 Bedroom apartment affordable to a moderate-income household  
Affordable rent calculated at 110% AMI (Family of 4:  $\$94,500 \times 110\% \times 30\%/12$ )  
Maximum monthly affordable rent = \$2,598.75 – utility allowance

## Calculating Affordable Homeownership Costs

For for-sale units, total housing costs include the mortgage payment (principal and interest), homeowners association dues, taxes, mortgage insurance and other related assessments (reference 25 California Code of Regulations Section 6920). Refer to Exhibit 4 for a spreadsheet to calculate the estimated affordable sales price using multiple variables.

**EXAMPLE: Affordable Homeownership Cost**

- 3 Bedroom condominium affordable to a moderate-income household  
Affordability calculated at 110% AMI  
Maximum monthly affordable total housing cost = \$2,598.75
- Purchase amount \$338,678 5% down payment = Mortgage - \$321,744
- 30-year loan at 6.1% interest
- Monthly payment of \$2,598.75 includes:
  - Mortgage - \$1,949.75.
  - HOA fees - \$100
  - Property Taxes - \$275
  - Property Insurance and Maintenance - \$80
  - Utility Allowance - \$194

## Management Requirements for Rental Units

### Property Manager

The inclusionary units must always be managed by an experienced property manager with demonstrated ability to operate the inclusionary units in a manner that will provide decent, safe and sanitary housing.

### Management Plan

A Management Plan must be submitted to and receive approval from the Community Development Director or his or her designee, prior to the commencement of leasing

activities. The Management Plan shall include the name and company of the proposed manager. The Management Plan must be complied with for the term of the affordability agreement. The Management Plan must also describe the leasing, including tenant selection criteria, and occupancy of the inclusionary units. Any modifications to the Management Plan must be approved by the Community Development Director. The Management Plan must include:

- Tenant selection criteria
- Guidance for tenant selection and the establishment of waiting lists
- Lease and rental agreements, which must comply with state and federal laws
- Copies of any “Housing and Ground” Rules
- All policies and procedures to be used to ensure compliance with the income and other requirements as conditions for eligibility and occupancy

### **Performance Review**

The Owner shall cooperate with the City in an annual review of management practices against the approved Management Plan and to confirm that inclusionary units are being operated in compliance with the Affordability Agreement.

### **Annual Inspections and Monitoring**

The City has the right to perform an annual on-site inspection of the inclusionary units and to perform an annual tenant file review. Additional information regarding monitoring is described later in the Guidelines.

### **Waiting List**

At the City’s request, a copy of the active waiting list shall be furnished to the City within ten days. The developer shall notify the City a minimum of one month prior to closing the waiting list and one month prior to opening the waiting list.

### **Co-Applicants**

Only one application per household will be accepted. A co-applicant is defined as an adult member of the household whether related or unrelated who intends to be a co-owner of the inclusionary unit. The combined income and assets of all members of the household (including co-applicants) to purchase or rent an inclusionary unit must not exceed the maximum income limits per household size. All co-applicants must go through the same process as the applicant and must agree to comply with the program requirements.

## **Ineligible Applicants – Conflicts of Interest**

The following individuals are not eligible to purchase or rent inclusionary housing units in Jurupa Valley.

### *Planning Commissioners, City Councilmembers, and Certain City Staff*

- Any member of the Jurupa Valley Planning Commission or City Council.
- Employees, other officials, consultants and employees of consultants who have policy making authority or influence regarding City housing programs, administer City housing programs, or whose salary is paid from a City housing program.
- Any person having any equity interest in a project that includes inclusionary units, or who is the applicant, including, but not limited to a developer, partner, landowner, investor or applicant (together “the developer”). Officers and employees of the developer are also ineligible.
- Any person considered to have a conflict of interest by the California Government Code, the regulations of the Fair Political Practices Commission or the Jurupa Valley City Code is ineligible to rent or purchase an inclusionary unit.
- Relatives of Planning Commissioners, City Council Members, Certain City Staff and Persons with an Equity Interest are also ineligible. For the purpose of eligibility, relatives are defined as spouses, children, parents, grandparents, brother, or sister, or a person in an equivalent position due to marriage (for instance, son-in-law and daughter-in-law), or anyone who may be claimed as a dependent.

Ineligible individuals shall not be added to any wait lists for affordable housing monitored by the City.

## **Marketing of Units**

### **Marketing Plan**

A Marketing Plan must be approved by the Community Development Director prior to the issuance of a Certificate of Occupancy for either the inclusionary units or the market-rate units subject to the concurrency requirement in a building phase. Developers are required to submit a Marketing Plan at least 90 days prior to their estimated completion date for their first phase of development and at least 60 days prior to their estimated completion date for subsequent phases.

All marketing plans must contain:

1. A description of the marketing that will be done for the inclusionary units, such as press releases, direct mailing, and advertising (including internet advertising),

including a list of organizations that will be notified. The Fair Housing logo must be used on all marketing material.

2. For projects with rental units:
  - a. The form of the rental agreement or lease to be used for the inclusionary units. The rental agreement or lease must incorporate provisions regarding periodic recertification of tenant incomes and the effect of increased income on the tenant's rent and ability to remain in the units.
  - b. Proposed maximum rents for the inclusionary units; lists all utilities to be paid by the tenant; and explains any other criteria to be used by the manager to select tenants. For instance, the manager may require a minimum credit score.
3. For projects with for-sale inclusionary units, a description of any financing to be made available to applicants, down payment assistance programs available, information needed to calculate the maximum sales price, and the unrestricted fair market value of the inclusionary units.
4. A requirement that the developer's sales staff meet with the City's Housing staff to receive training on the selection process and for ownership units, the City homebuyer documents.
5. A one-page informational flyer in both English and Spanish suitable for advertising the availability of the inclusionary units.
6. A copy of all marketing materials including materials to be given to applicants (see "Potential Applicant Packet" subsection below).
7. At the discretion of the City, marketing plans may also be required to contain the following information:
  1. The Potential Application Packet must also be prepared in Spanish.
  2. The process for accepting applications, including the number of phases and deadline for applications in the current phase of the project. Developers should allow a generous amount of time (at least 60 days) for applicants to submit complete applications, given the complexity of the process.
  3. Informational workshops for potential applicants in Spanish and English, in the evening during the week and/or on a weekend as appropriate. The developer must arrange for information to be distributed in an appropriate manner, as approved by the City.
  4. The method to be used to determine applicant eligibility (income and, for ownership units, lender approval letter).
  5. It is important that the developer's sales or management staff understand the application process and the restrictions placed on the inclusionary units by the City. In the case of for-sale inclusionary units, before entering into any purchase and sale agreement for the units, the developer's sales staff must receive training so that they understand and can explain the resale restrictions and other City restrictions such as the owner-occupancy requirements.

In the case of rental inclusionary units, it is important that the developer's management staff understand the consequences of future increases in income. Before entering into any lease or rental agreement for the inclusionary units, the developer's rental staff must receive training so that they can understand and explain the City's requirements and consequences of future increases in income.

Each applicant for an inclusionary unit will receive a Potential Applicant Packet that includes:

- Application form that includes such information as residency or employment certification; household composition; household income and assets; and, for homebuyers, form pre-approval letter;
- Explanation of the process used to select homebuyers or renters, as applicable;
- Eligibility requirements;
- The income level(s) and occupancy standards for the various units;
- Description of inclusionary units available, including number of bedrooms and general location;
- Price or rent of inclusionary units; and
- Contact information for sales or rental office.

### **Fair Housing and Affirmative Marketing Guidelines**

The developer shall perform those affirmative marketing responsibilities set forth in 24 Code of Federal Regulations 92.351. The affirmative marketing strategy must be designed to attract all eligible persons regardless of race, color, ancestry, national origin, citizenship, immigration status, primary language, age, sex, sexual orientation, disability, religion, gender, gender identity and expression, marital status, familial status, source of income and military or veteran status, to assisted rental units and sales dwellings which are being marketed. The developer must have available, upon the City's request, Fair Housing and Affirmative Marketing Procedures that includes the following components:

- Targeting: Identifying the segments of the eligible population which are least likely to apply for housing without special outreach efforts;
- Outreach: An outline of an outreach program which includes special measures designed to attract those groups identified as least likely to apply and other efforts designed to attract persons from the total population;
- Indicators: Statement of the indicators to be used to measure the success of the marketing program; and
- Staff Training: Demonstration of the capacity to provide training and information on fair housing laws and objectives to sales or rental staff. Developers must make a good faith effort to conduct outreach. This requires recorded activities and documented outreach to those individuals identified as least likely to apply, such as print and

electronic advertising and marketing housing to specific community, religious or other organizations frequented by those least likely to apply.

## **Initial Leasing of Inclusionary Rental Units**

**Step 1.** The developer submits a Marketing Plan with the information described in these Guidelines to the Housing Division for approval.

**Step 2.** After City approval of the Marketing Plan and rents, the developer markets the inclusionary units consistent with the approved Marketing Plan and makes Potential Application Packets available to all who request them.

**Step 3.** After the deadline for submitting applications, the developer reviews all applications and determines if the applicant is eligible to rent a unit, based on income, household size, and any other criteria approved by the City as part of the project's Marketing Plan. The developer must verify income as described in the developer's Marketing Plan.

**Step 4.** The developer submits to the City a) a complete listing of all pre-screened applicants, indicating the developer's determination of eligibility (in hard copy and in electronic format, either in Excel or Word); and b) the complete file for each applicant, numbered to correspond to the list of applicants.

**Step 5.** The City reviews and either approves or requests changes in the developer's submittals, typically within 30 business days.

**Step 6.** The developer offers units to eligible applicants. Applicants selected to rent an inclusionary unit must agree to sign the rental agreement or lease. Should the initial lease-up progress slowly, the developer may suggest alternate methods for consideration by City to avoid protracted vacancies in the inclusionary units.

**Step 7.** After all of the inclusionary units are initially rented, or within 120 days of occupancy approval, whichever is earlier, the owner of the rental units submits a *Monitoring Report* to the City as described in the Guidelines. If all of the inclusionary units have not been rented when the first report is submitted to the City, any additional monitoring report shall be submitted after all of the inclusionary units have been rented.

**Exception for Projects with Other Financing.** If a project is financed through a program that has occupant selection and income verification requirements stricter than those of the City, the developer may ask the City to defer to those requirements and not require additional documentation. If approved by the City, the developer may send to the City copies of documentation required for all monitoring agencies in place of the documentation required by these Guidelines.



## Initial Sale of Inclusionary Units

**Step 1.** The developer submits a Marketing Plan, as described in these Guidelines, to the Housing Division for approval. In addition to the information described earlier in these Guidelines, the Marketing Plan also includes the following:

1. A description of the financing terms to be made available to applicants for the inclusionary units. If applicable, the developer identifies a lender or lenders willing to provide competitively priced purchase money mortgages meeting the City's standards explained below. However, the developer cannot require prospective buyers of inclusionary units to use the identified lender for permanent financing.
2. For each inclusionary for-sale unit, the developer submits the amount of the proposed affordable sales price, including the calculation used in the determination. All housing costs must be used in the determination including the expected homeowners' association fees, property taxes, private mortgage insurance and any special assessments, such as special district fees. The City will review the proposed affordable sales price(s) and notify the developer if the amount is approved or not. If all of the inclusionary units within a phase of the project are not sold within one year, the developer may submit revised affordable sales price(s) for the unsold units for City review.

**Step 2.** After approval of the Marketing Plan and approval of the sales price by the City, the developer markets the inclusionary units consistent with the Marketing Plan and makes application packets available to all who request them.

**Step 3.** After the deadline for submitting applications, the developer reviews all applications and determines if the applicant is eligible to purchase a unit, based on income and preapproval letter. The developer must verify income as described in the developer's Marketing Plan.

**Step 4.** The developer submits to the City: a) a complete listing of developer pre-screened applicants and indicating the developer's determination of eligibility (in hard copy and electronic format, either in Excel or Word and also in PDF format); b) the complete file for each applicant, numbered to correspond to the list of applicants; c) the form of purchase and sale agreement; d) preliminary DRE public report, if applicable

**Step 5.** The City reviews and either approves or requests changes in the developer's submittals, typically within 30 business days. Once the list of eligible applicants is approved, the City ranks all eligible applicants on a random basis, such as by a lottery. The developer must send written notice to applicants determined to be ineligible by the City.

**Step 6.** The developer offers units to applicants beginning at the top of the list established by the City. The developer may not pass over an applicant higher on a list in favor of

another because of a higher income. Applicants are to be taken in the order ranked and given a reasonable period to close escrow, normally 60 days after the unit's final inspection is approved, or after the applicant is selected to purchase a unit, whichever is later. The developer may only exclude ranked applicants, because the applicants were not successful in obtaining financing, were not able to demonstrate the qualifying household income included in their application, or otherwise were not eligible. The developer must send written notice to any excluded applicant within 15 days of the decision to exclude the applicant; copies of such correspondence must be provided to the City. However, developers may close escrow on inclusionary units in any order as homebuyers are able to do so.

**Step 7.** If the applicant enters into a purchase agreement for the unit, the developer provides to the City for review: a) a copy of the loan underwriting form (Form 1008); b) estimated HUD-1 Settlement Statement; c) legal description of the inclusionary unit; and d) appraised value of the inclusionary unit at unrestricted fair market value. Provided that the documents are consistent with previous representations, the City will provide to escrow executed copies of its homebuyer documents, an executed release of the Affordability Agreement to be recorded with the sale of the unit, and standard escrow instructions. The City will subordinate its deed of trust to acceptable purchase money loans listed after Step 8.

The City may require additional time to review the application if the documents provided show a significant change in the homebuyer's situation since the City's initial review of the file. If the packet is incomplete, the sale cannot proceed until all needed documents are provided.

**Step 8.** The title company returns to the City a copy of the executed and recorded deed of trust and request(s) for notice of default and the original executed copy of the buyer's disclosure.

**Step 9.** Within 21 days of completing the sale of all inclusionary units, the developer shall notify all remaining applicants on the waiting list that they were not selected. Applicants shall be informed that they are welcome to apply for later phases of the development or for other projects. The developer shall notify the City once completing the notification.

### **Acceptable Purchase Money Loans**

The following are acceptable purchase money loans for inclusionary units:

1. Fully documented 30-year fixed rate fully amortized loans.
2. Down payment/closing cost assistance programs provided by the state, federal or other community programs may be allowed upon review and approval by the City.
3. Fees and charges to the borrower for the purchase money loan(s) must be reasonable and consistent with industry standards.

Homebuyers may have one or more purchase money loans, but each loan must meet the standards listed in 1-3.

The following loans are not acceptable purchase money loans for inclusionary units:

1. Loans permitting negative amortization (such as so-called “option ARMS” loans)
2. Loans requiring a balloon payment.
3. Interest only loans.
4. So called “no-documentation” loans.
5. Loans otherwise not meeting the standards specified under “Acceptable Purchase Money Loans.”

## **Homebuyer Education**

Prior to purchase of an inclusionary homeownership unit, all adult home buyers are required to attend a general homebuyer education course offered by a housing counseling agency certified by HUD. If such a course is not scheduled within the next 60 days in person or remotely, an alternate course approved by the Community Development Director may be allowed. The course may cover such topics as basic household finance, the home buying process, credit repair, down payment assistance and basic home maintenance.

Prior to signing legal documents, all adult home buyers will be required to attend a workshop to orient prospective buyers to the goals of the program and walk through the key provisions of the program’s legal documents.

## **Financing/Refinancing for Homeownership Units**

All loan products used for home purchase or refinancing must be approved by the City. Buyers must use 30-year fixed rate loans, unless otherwise approved by the Community Development Director. Buyers are not permitted to borrow more than the maximum resale price. The City will review loan documents prior to each sale or refinancing to ensure consistency with these policies. Refinancing must be approved by the Community Development Director in advance.

## **Resale Requirements**

### **General Policies**

1. An inclusionary unit must not be sold or rented at a price or rent more than the applicable affordable housing cost for the unit.
2. An inclusionary unit must not be sold or rented to a person or persons that do not meet the income restrictions for the unit.

3. No person shall provide false or materially incomplete information to the city or to a seller or lessor of an inclusionary unit to obtain occupancy for housing for which that person is not eligible.

### **Rental Units**

Prior to the close of the sale of an inclusionary unit, the seller shall provide special written notice to the buyer of an inclusionary unit of the affordability restrictions on the inclusionary unit, including but not limited to, the resale price controls, in a document written in plain language and approved in writing by the Community Development Director.

### **For-Sale Units**

#### Resale Price

The resale price of an owner-occupied inclusionary unit shall be limited to the lesser of the fair market value of the unit as established by a qualified appraiser selected by the Community Development Director based upon three comparable properties or the restricted resale price. The restricted resale price shall be the greater of either the applicable affordable housing cost or an amount equal to the sum of a) the purchase price, b) an amount equal to ten percent of any increase in the applicable affordable housing cost since the previous sale of the unit, c) the adjusted amount of any capital improvements (with City building permits), or other improvements which adds assessed value to the unit, d) any applicable transaction fee charged by an real estate professional, and e) if the occupant has allowed the unit to deteriorate due to deferred maintenance, the restricted retail price shall be discounted in an amount equal to the costs necessary to bring the unit into conformity with the City Municipal Code.

#### Notice to Buyer Prior to Resale

Prior to the close of escrow of the sale of an inclusionary unit, the seller shall provide special written notice to the buyer of an inclusionary unit of the affordability restrictions on the inclusionary unit, including but not limited to, the resale price controls, in a document written in plain language and approved in writing by the Community Development Director.

#### Inheritance of Inclusionary Units

Upon the death of an owner of an owner-occupied inclusionary unit, title in the property may transfer to the surviving joint tenant without respect to the income-eligibility of the household. Upon the death of a sole owner or of all owners of an inclusionary unit and the inheritance of the property by one or more non-income eligible children or stepchildren of the deceased, the property shall be sold to an income-eligible household within one (1) year of the time when the deceased's estate is settled. Inheritance of an inclusionary unit

by any other non-income eligible person or persons shall require the sale of the property to an income eligible person as soon as feasible, but not more than one hundred eighty (180) days after the deceased's estate is settled.

### Default

In the case in which a homebuyer is in default, the City's agreement with buyers of inclusionary homes grants the City an option to purchase the home at the restricted resale price described in these Guidelines if it is sold during the 45-year term of the agreement. The City may assign its option to purchase to another public agency, a nonprofit organization, or a household meeting income and other requirements. Reasons for default include:

1. Failure to occupy the property as the principal residence of the owner, or renting the property without the City's permission
2. Non-permitted transfer of the property without notification to the City.
3. Foreclosure on another deed of trust or mortgage.
4. Bankruptcy.
5. Misrepresentation when acquiring the home.
6. Placing an additional encumbrance on the property without City approval.

If the homeowner is in default, the City will normally give the homeowner the opportunity to cure the default, unless there is a need to act immediately, such as in the case of foreclosure. Upon written request for time to cure any violation given to the City by the buyer and seller, it is within the discretion of the City Manager to allow the buyer and seller one hundred eighty days to cure any violation of the resale price controls.

The City may exercise its option to buy the home at an affordable price or may choose to cure the default or utilize other legal remedies as needed to enforce the affordability agreements.

### Forfeiture of Funds

If an inclusionary unit for sale is sold for an amount more than the resale price controls, the buyer and seller shall be jointly and severally liable to the City for the entire purchase price of the unit. Recovered funds shall be deposited into the Affordable Housing Trust Fund.

## **Principal Residency Requirements**

The owner or lessee of an inclusionary unit must reside in the unit as the person's principal residence for at least ten of every twelve consecutive months unless actively serving in the United States military. Subject to verification by the Community Development Director, an owner or lessee may live elsewhere for up to six months every five years on account of hardships, including, but not limited to, medical reasons, the need to assist family member in crisis or medical need, and relocation for employment purposes.

The owner or lessee of an inclusionary must not lease or sublease, as applicable, an inclusionary unit without the prior permission of the Community Development Director.

## **Changes and Adjustments to Rents**

Rents may be raised only once every twelve months based on increase in area median income adjusted for assumed household size as published periodically by the California Housing and Community Development Department in the California Code of Regulations, Title 25, Section 6932, or successor provision. Notices of rent increases must be provided to the City and to the tenants of the rental inclusionary units at least 30 days before the effective date of the rent increase, or as otherwise required by law or subsidy program.

### **Rental Rate Determination**

The City or its agent will determine the rental rate for inclusionary units at income level and household size. The rents will be determined based on the annual HCD published income limits and section 50053 of the California Health and Safety Code.

Annual rent (inclusive of fees and utilities) for very low-income units cannot exceed 30% of 50% of the area median income adjusted for the size of the household appropriate for the unit. Annual rent (inclusive of fees and utilities) for low-income units cannot exceed 30% of 60% of the area median income adjusted for household size appropriate for the unit. Annual rent (inclusive of fees and utilities) for moderate income units cannot exceed 30% of 110% of the area median income adjusted for household size appropriate for the unit.

Rent includes all charges related to occupancy of the unit including utilities, parking fees, fees for use of common facilities and other fees and charges. If utilities are not paid by the property owner, the rent for the inclusionary units must be adjusted downward to allow for a utility allowance calculated in accordance with the utility allowances published by the Housing Authority of the County of Riverside.

## Monitoring and Compliance

The Housing Division will be responsible for monitoring of the inclusionary units to ensure compliance. The developer/owner of the rental property shall retain records and make them available to the City upon request. The books and accounts of the inclusionary units shall be kept in conformity with reasonable accounting practices and consistently applied. This list of records and reports relating to the Project is in addition to any documents required by other funding sources. The records and reports include, but are not limited to the following:

- Eligible tenant information, including leases and yearly income verifications;
- Rent roll listing all inclusionary units, the names of tenants, the dates of their tenancies and the amount of rents and security deposits charged and collected.
- Management Plan listing name, background and experience of the property manager and including tenant selection criteria, selection procedures, establishment and maintenance of waiting lists, the lease and rental agreement, a copy of any “House and Ground Rules” and all policies to be used to ensure compliance with the income and any other requirements for eligibility or occupancy;
- On-site inspection records;
- Affirmative marketing records;
- Insurance policies and notices;
- Equal Employment Opportunity and Fair Housing records;
- Labor costs and records;
- An audited income and expense statement and balance sheets for the developer/owner;
- An audited income and expense statement and balance sheets for the Project;
- A report for the calendar year showing rental income, other income, expenses, anticipated repairs and replacements to the Project, timing of such repairs and replacements, insurance maintained on behalf of the Project, and such other matters as the City may require in its sole discretion;
- Federal and State income tax returns for the calendar year, ending on the preceding December 31<sup>st</sup>;
- Annual analysis of reserves for repair and replacement;
- Annual certification and representation regarding status of all loans, encumbrances and taxes;
- Annual statement regarding condition of the Property and disclosing any known defects;
- An OMB A-133 financial audit (if applicable); and,
- Such other and further information and records as the City shall request in writing.

The Owner must retain all documents and records pertaining to the rents charged, income of tenants and all matters related to the Owner's obligation for a period of three years and shall make them available to the City five business days from being noticed. If the provisions of any federal or state law or regulation require a longer retention period, the Owner must comply with such period of retention.

The City may conduct audits of the rents charged, income of tenants and all matters relating to the Owner's obligations under the Agreement and within three years after the last day of the applicable period to which such records relate, and Owner shall cooperate with the City's auditors in conducting the audit.

### **Project Monitoring – Rental Units**

Rental projects developed under the Inclusionary Housing Program are monitored annually by the Housing Division to determine compliance with the terms of the Affordability Agreement recorded against the property.

The owner of any rental inclusionary unit shall certify to the Community Development Director the income of the tenant at the time of the initial rental and annually thereafter. An annual certification of ownership is also required.

### **Annual Procedures - Rental Units**

1. An Inclusionary Housing Project Summary form is initiated by the Housing Division for each project. The terms of the Inclusionary Agreement are verified, and the rent and occupancy limits are noted on the form.
2. Initial letters and an *Annual Monitoring Report*, are mailed, by the Housing Division, to property owners requiring completion of the Annual Monitoring Report as described below
3. Failure to cooperate with the monitoring review process will be considered a breach of the Affordability Agreement. The City Attorney may be notified in order that legal remedies may be initiated.
4. The Housing Division will review information provided by the owner and tenants to determine compliance with the Affordability Agreement as it pertains to allowable rents, number of restricted units, current income of tenants and any further restrictions on occupancy specified in the Agreement.
5. A letter will be issued to the property owner addressing any compliance issues. In general, a 30-day corrective action period will be allowed.

### **Annual Monitoring Report for Rental Inclusionary Units**

The property manager of all inclusionary units must submit an Annual Monitoring Report to the City by April 1<sup>st</sup> of each year. If April 1<sup>st</sup> is not a business day, the Annual Monitoring Report shall be due on the first succeeding business day after April 1<sup>st</sup>. The Annual Monitoring Report includes:



1. Income and household size of all households residing in inclusionary units;
2. Identification of all inclusionary units by income category (very low, low, or moderate) and number of bedrooms within the development;
3. Monthly rent charged for each inclusionary unit and any additional charges, including utilities, parking and any other costs; and
4. Vacancy percentage of inclusionary units during the previous year.
5. Other information necessary to ensure that the inclusionary units are being rented in accordance with the Affordability Agreement.

If a project is financed through an affordable housing program requiring annual reports that include the above information, the City may elect to defer those requirements and not require additional monitoring reports. If approved by the City, the management firm may send to the City copies of the annual report required for other monitoring agencies.

The City may, at its option, perform additional monitoring of the inclusionary rental units, including review of management records, performance of an audit, contacts with tenants, and other reasonable monitoring to ensure compliance with the Affordability Agreement.

### **Occupancy Conditions**

The approved tenant(s) must occupy the inclusionary rental unit during the entire term of the lease. If an additional occupant (roommate, family member, etc.) moves into the inclusionary unit, the additional occupant will be considered part of the existing household. In such cases, the inclusionary tenant must obtain written approval from property management prior to new occupants moving into the inclusionary unit. The entire household's income will then be calculated by the property manager and additional occupants will not be allowed to move into the unit if the household is no longer eligible for the unit (due to income, occupancy standards or other requirements). If the tenant(s) fail to receive written approval from the property management for any changes in occupancy or if the tenant(s) subleases the property, the tenant household will no longer be eligible to occupy the inclusionary unit.

### **Owning Property**

The applicant(s) cannot own a home and/or be on the title of a property in order to qualify for an inclusionary rental unit.

### **Effect of Increased Tenant Incomes**

The property manager must annually monitor the income of tenants in inclusionary units.

If annual monitoring shows that the income of a tenant household occupying a very low-income inclusionary unit exceeds fifty percent of area median income, but not eighty percent of area median income, as adjusted for household size, the tenant household may remain in the unit at a rent that is affordable to lower income households. After that

tenant household vacates the unit, it must again be rented to an eligible very low-income tenant household at a rent that is affordable to very low-income households.

If the income of a tenant household occupying either a very low income or a lower income inclusionary unit exceeds eighty percent of area median income, but not one hundred twenty percent of area median income, as adjusted for household size, the tenant household may remain in the unit at a rent that is affordable to moderate income households. After that tenant household vacates the unit, it must again be rented to an eligible low-income tenant household at a rent that is affordable to low-income households.

If the income of a tenant household occupying a very low income, lower income or moderate-income inclusionary unit exceeds one hundred twenty percent of area median income, adjusted for household size, then the tenant household must be given six months' notice to vacate the unit. To avoid displacing these households, the owner may, at the owner's option and with the City's approval, allow the tenant to remain in the original unit at market-rate and designate the next newly vacated unit as the replacement inclusionary unit within the appropriate income category.

If the terms of another governmental subsidy restrict the owner's ability to raise the tenant's rent or to require the tenant to vacate the unit (for instance, a tax credit project), then the City will modify its Affordability Agreement so that these provisions are consistent among the various programs.

### **Project Monitoring – For-Sale Units**

The City of Jurupa Valley will monitor compliance with the terms and conditions of the Affordability Agreement recorded against for-sale units developed under the Inclusionary Housing Program. The applicant/developer and all subsequent owners on an inclusionary unit offered for sale shall certify under penalty of perjury, in form and content acceptable to the City, the income of the purchaser. Annual monitoring will include the owner occupancy requirement and prohibitions against the rental of the dwelling. The monitoring will provide owners with an opportunity to become familiar with the Inclusionary Housing Program and any changes in adopted policies and procedures.

### **Annual Procedures – For-Sale Units**

1. Initial letters are mailed by the Housing Division to homeowners providing notification of the requirement to complete and submit a *Certification of Owner-Occupancy to the City within 21 days of the date on the request letter or the first business day thereafter.*
2. If a property has changed ownership without notice to the City, staff will schedule an appointment with the new homeowner to discuss the provisions of the affordability requirements. Areas of concern will include review of the buyer's

ability to meet standard program eligibility requirements, purchase price and continued participation in the program.

3. Where the review raises compliance concerns, the homeowner will receive written notice of the compliance issue. In general, a 30-day corrective action period will be allowed.
4. Every effort will be made to provide homeowners with information needed to complete the monitoring review and maintain compliance with the Affordability Agreement. However, referrals will be made to the City Attorney when appropriate because of non-compliance.

## **Enforcement**

In addition to or in alignment with other enforcement actions described in these Guidelines, any violations of the Ordinance, Code, Guidelines, Inclusionary Housing Plan and Affordability Agreement may be subject to penalties and remedial procedures described in Chapters 1,15, 1.16, 1.20 and 1.25 of the Jurupa Valley Municipal Code.

The provisions of the Ordinance, Code, Guidelines and any Agreements apply to all owners, developers, their agents, successors and assignees that propose a residential development, occupy an inclusionary unit or both. All inclusionary units must be sold or rented in accordance with all applicable regulations and administrative guidelines.

Any individual who sells or rents an inclusionary unit in violation of the provisions in the Ordinance, Code, these Guidelines or the Affordability Agreement will be required to forfeit to the City all monetary amounts obtained in violation. Recovered funds will be deposited into the Inclusionary (Affordable) Housing Trust Fund.

Upon the occurrence of a default by the Owner under the Affordability Agreement that is not cured within 30 days after written notice from the City, the City may apply to any court for specific performance of the Agreement. The Agreement details procedures and remedies that the City is authorized to undertake to enforce the Agreement.

The City Attorney may institute legal actions necessary to ensure compliance.

## **Affordable Housing Trust Fund**

Housing in-lieu fees collected by the City pursuant to the Ordinance will be deposited into an affordable housing trust fund maintained by the City for use in the site acquisition, development, rehabilitation, program administration, or preservation of affordable housing, either directly by the City or in partnership with a third-party affordable housing developer.

# **APPENDIX**

<b>EXHIBIT 1 Riverside-San Bernardino-Ontario, CA MSA</b>												
<b>Household Income Limits 2023</b>											<b>Effective Date: June 6, 2023:</b>	
Note: The following household income limits are calculated using HCD methodology to comply with Health and Safety Code Sections 50052.5 and 50053.											<b>\$ 94,500</b>	
		<b>Very Low Income</b>						<b>Low Income</b>				
		<b>50%</b>			<b>60%</b>			<b>80%</b>				
<b>Household Size</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>
ONE		\$32,650	\$2,721	\$816		\$39,690	\$3,308	\$992		\$52,200	\$4,350	\$1,305
TWO		\$37,300	\$3,108	\$932		\$45,360	\$3,780	\$1,134		\$59,650	\$4,971	\$1,491
THREE		\$41,950	\$3,496	\$1,048		\$51,030	\$4,253	\$1,275		\$67,100	\$5,592	\$1,677
FOUR		\$46,600	\$3,883	\$1,165		\$56,700	\$4,725	\$1,417		\$74,550	\$6,213	\$1,863
FIVE		\$50,350	\$4,196	\$1,258		\$61,236	\$5,103	\$1,530		\$80,550	\$6,713	\$2,013
SIX		\$54,100	\$4,508	\$1,352		\$65,772	\$5,481	\$1,644		\$86,500	\$7,208	\$2,162
SEVEN		\$57,800	\$4,817	\$1,445		\$70,308	\$5,859	\$1,757		\$92,450	\$7,704	\$2,311
EIGHT		\$61,550	\$5,129	\$1,538		\$74,844	\$6,237	\$1,871		\$98,450	\$8,204	\$2,461
		<b>Median Income</b>						<b>Moderate Income</b>				
		<b>100%</b>			<b>110%</b>			<b>120%</b>				
<b>Household Size</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>		<b>Annual Income</b>	<b>Monthly Income</b>	<b>30% Monthly</b>
ONE		\$66,150	\$5,513	\$1,653		\$72,765	\$6,064	\$1,819		\$79,400	\$6,617	\$1,985
TWO		\$75,600	\$6,300	\$1,890		\$83,160	\$6,930	\$2,079		\$90,700	\$7,558	\$2,267
THREE		\$85,050	\$7,088	\$2,126		\$93,555	\$7,796	\$2,338		\$102,050	\$8,504	\$2,551
FOUR		<b>\$ 94,500</b>	\$7,875	\$2,362		\$103,950	\$8,663	\$2,598		\$113,400	\$9,450	\$2,835
FIVE		\$102,050	\$8,504	\$2,551		\$112,266	\$9,356	\$2,806		\$122,450	\$10,204	\$3,061
SIX		\$109,600	\$9,133	\$2,740		\$120,582	\$10,049	\$3,014		\$131,550	\$10,963	\$3,288
SEVEN		\$117,200	\$9,767	\$2,930		\$128,898	\$10,742	\$3,222		\$140,600	\$11,717	\$3,515
EIGHT		\$124,750	\$10,396	\$3,118		\$137,214	\$11,435	\$3,430		\$149,700	\$12,475	\$3,742

## Exhibit 2

# Housing Authority of the County of Riverside (HACR)

## Utility Allowance Schedules

The HACR has adopted the following Utility Allowance Schedules, which are updated periodically, and available on the HACR and City of Jurupa Valley website.

### [Housing Authority of the County of Riverside Utility Allowance Schedules](#)

1. Apartments - Standard (1-7 bedrooms) Utility Allowance
2. Detached house, mobile/manufactured home – Standard (1-7 bedrooms) Utility Allowance
3. Apartment- Energy Efficient (1-6 bedrooms)

**EXHIBIT 3 - AFFORDABLE HOUSING COSTS**

COUNTY:		<b>RIVERSIDE</b>		<b>2023</b>																																																																	
<b>Affordable Housing Costs/Rents</b>		<b>AREA MEDIAN INCOME:</b>		<b>\$94,500</b>		<b>4-PERSON</b>																																																															
		<b>RENTER</b>		<b>OWNER</b>																																																																	
<b>Health and Safety Codes:</b>		<b>50053</b>		<b>50052.5</b>		(use "State Income Limits" at link below)																																																															
<b>Extremely Low Income</b>		30%		30%		<a href="#">HCD 2023 Income Limits</a>																																																															
<b>Very Low</b>		50%		50%		<b>Formula:</b> (These columns show how the maximum monthly rent and maximum housing cost were calculated.)  <table border="0" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>																																																															
<b>Low</b>		60%		70%																																																																	
<b>Moderate</b>		110%		110%																																																																	
Note: amounts do not reflect required allowances to deduct																																																																					
	Unit	Max Monthly	Max Monthly																																																																		
	Size	Rent Cost	House Cost																																																																		
<b>Income Group</b>	<b>Bedroom(s)</b>	<b>(Renters)</b>	<b>(Owners)</b>																																																																		
<b>Extremely Low Income HH</b>	0 (Studio)	\$ 496.13	same	[	30%	x	30%	\$ 94,500	x	0.70	/12]																																																										
	1 bedroom	\$ 567.00	same	[	30%	x	30%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom	\$ 637.88	same	[	30%	x	30%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom	\$ 708.75	same	[	30%	x	30%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom	\$ 765.45	same	[	30%	x	30%	\$ 94,500	x	1.08	/12]																																																										
<b>Very Low Income HH</b>	0 (Studio)	\$ 826.88	same	[	30%	x	50%	\$ 94,500	x	0.70	/12]																																																										
	1 bedroom	\$ 945.00	same	[	30%	x	50%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom	\$ 1,063.13	same	[	30%	x	50%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom	\$ 1,181.25	same	[	30%	x	50%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom	\$ 1,275.75	same	[	30%	x	50%	\$ 94,500	x	1.08	/12]																																																										
<b>Low Income HH</b>	0 (Studio)	\$ 992.25	60% does not apply to owners (70% below does)	[	30%	x	60%	\$ 94,500	x	0.70	/12]																																																										
	1 bedroom	\$ 1,134.00		[	30%	x	60%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom	\$ 1,275.75		[	30%	x	60%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom	\$ 1,417.50		[	30%	x	60%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom	\$ 1,530.90		[	30%	x	60%	\$ 94,500	x	1.08	/12]																																																										
	0 (Studio)		\$ 1,157.63	[	30%	x	70%	\$ 94,500	x	0.70	/12]																																																										
	1 bedroom	70% does not apply to renters (60% below does)	\$ 1,323.00	[	30%	x	70%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom		\$ 1,488.38	[	30%	x	70%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom		\$ 1,653.75	[	30%	x	70%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom		\$ 1,786.05	[	30%	x	70%	\$ 94,500	x	1.08	/12]																																																										
0 (Studio)			\$ 1,819.13	[	30%	x	110%	\$ 94,500	x	0.70	/12]																																																										
<b>Moderate Income HH</b>	1 bedroom	\$ 2,079.00	30% does not apply to owners (35% below does)	[	30%	x	110%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom	\$ 2,338.88		[	30%	x	110%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom	\$ 2,598.75		[	30%	x	110%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom	\$ 2,806.65		[	30%	x	110%	\$ 94,500	x	1.08	/12]																																																										
	0 (Studio)			\$ 2,122.31	[	35%	x	110%	\$ 94,500	x	0.70	/12]																																																									
	1 bedroom	35% does not apply to renters (30% below does)	\$ 2,425.50	[	35%	x	110%	\$ 94,500	x	0.80	/12]																																																										
	2 bedroom		\$ 2,728.69	[	35%	x	110%	\$ 94,500	x	0.90	/12]																																																										
	3 bedroom		\$ 3,031.88	[	35%	x	110%	\$ 94,500	x	1.00	/12]																																																										
	4 bedroom		\$ 3,274.43	[	35%	x	110%	\$ 94,500	x	1.08	/12]																																																										

Family Size (1-8) adjustment: Adjustments are made so larger families have larger incomes. The 4-person income limit serves as the base in calculating income limits for household sizes larger than 4 persons. For family sizes ranges from 1 to 8 persons, the multipliers are as follows:

<b>Number of Persons (below):</b>											
1	2	3	4	5	6	7	8				
0.7	0.8	0.9	1.0 (base)	1.08	1.16	1.24	1.32				

Decimal Multipliers (above):

For households larger than eight persons, (all income categories), determine income limit as follows:

**Per Person (PP) adjustment above 8:** (1) multiply the four-person income limit by eight percent (8%), (2) multiply result by number of persons in excess of eight, (3) add the amount to the income limit for eight persons, and (4) round the result to the nearest \$100.

**EXHIBIT 4**

**Worksheet for Estimating the Sales Price of an Affordable Unit**

Instructions:

- Enter the affordable housing cost pursuant to California Health and Safety Code 50052.5
- Enter estimated monthly homeowners association fees
- Enter estimated annual property taxes
- Enter estimated monthly property insurance and maintenance expenses
- Enter estimated monthly district fees
- Enter estimated utility allowance based on bedroom size
- Enter Freddie Mac monthly average commitment rate for 30-year fixed-rate mortgages (see link)
- Enter estimated five percent down

**CITY OF JURUPA VALLEY**

**ENTER IN YELLOW FIELDS ONLY**

<b>Affordable Address:</b>		
<b>Affordable Housing Cost</b>	<b>Annual</b>	<b>Monthly Income</b>
	\$0.00	

Annual & Monthly Costs	Annual	Monthly
Estimated HOA Fees:	\$0.00	
Estimated Property Insurance and Maintenance:	\$0.00	
Estimated Property Taxes:	\$0.00	
Estimated District Fees:	\$0.00	
<a href="#">Estimated Utility Allowance (Based on unit size, see Riverside County Utilities Chart)</a>	\$0.00	
		\$0.00
<b>Amount Available for Mortgage Payment</b>	\$0.00	\$0.00

<b>Enter Interest Rate Here:</b>	
<b>Amount of 30-Year Fixed-Rate Mortgage:</b>	\$0.00
<b>Amount of Down Payment as a %:</b>	
<b>Estimated Sales Price of Affordable Unit:</b>	\$0.00

[Current Mortgage Rates Data Since 1971](#)