



MOBILE HOME REPAIR PROGRAM POLICIES AND PROCEDURES

City of Fresno
Housing Finance Division, Planning and Development Department
2600 Fresno Street #3065, Fresno, CA 93721

Table of Contents

About the Program	2
Program Eligibility	2
Grant Amount and Permitted Use of Funds	2
Ineligible Projects	2
Outreach and Marketing	2
Qualification	3
Location	3
Permissible Foundation	3
Ownership Verification	3
Owner Occupancy Verification	4
Income Verification	4
Income Limits	5
Household Size	5
Taxes	6
Relocation	6
Standards	6
Ownership Restriction	6
Ownership Transfers	7
Loan Security Requirements	7
Unit Value	7
Process	7
Interest List and Application Process	7
Construction and Bid Process	8
Construction Warranties	10
Amendments to Program Rules	10
Program Closeout	11
Anti-Discrimination	11
Conflict of Interest	11
Monitoring	11
Appeals	11
Rehabilitation Application and Construction Timeline (Estimate)	12

CITY OF FRESNO
Mobile Home Repair Grant Program
Policies and Procedures

The City of Fresno, Housing Finance Division offers a Mobile Home Repair Program (Program) funded with the California Department of Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) funds to low-income, (defined as less than 60% of the median household income), owner-occupied mobile homeowners. Funds for home repairs will be provided to the owner in the form of a five-year forgivable loan of up to \$60,000 per unit with no payments and a five-year owner-occupancy restriction. The Housing Manager has the discretion to approve projects above the maximum amount based upon the condition of the home and repairs necessary to complete the project.

The following are threshold requirements for program eligibility:

1. **Location:** The mobile home must be a single-family unit (1 unit) located in a mobile home park within the City of Fresno (excluding County islands) on a permissible foundation, as defined below. Mobile homes in mobile home parks are typically on foundation systems and not a fixture to real property recorded with the County.

Mobile homes located in flood areas designated by FEMA are not eligible.

2. **Ownership and Occupancy:** The mobile home must be owned and occupied by the applicant. Unit must have a California Insignia and Federal HUD Label.
3. **Income:** Household family income must not exceed 60% of the area median household income as determined by HCD.

GRANT AMOUNT AND PERMITTED USE OF FUNDS

The minimum hard costs shall be 30 percent of the value of the unit, up to the \$60,000 limit. Permitted use of grant funds include soft and hard costs required to complete projects. The Program will fund repairs to the unit including but not limited to health and safety related repairs, water heater repairs/replacement, minor plumbing, electrical repairs, exterior paint, roof repairs/replacement, heating, cooling, windows, flooring, doors, energy efficient repairs, and/or accessibility repairs for disabled. The City will work with the owner to determine if mobile home repairs are needed.

Contingency Reserve Account: The amount allocated to the “contingency” or “contingency reserve” account consists of funds set aside to cover emergency repairs on completed projects and for projects requiring additional funds beyond the original support limits. These funds will only be disbursed upon the approval of the Housing Manager, with approval not to be unreasonably conditioned, withheld, or delayed. Benefitted applicants requesting contingency funds must sign a new Promissory Note and Security

Agreement reflecting the increased loan amount. Contingency funds must be requested within the affordability period (within 5 years from the project completion date) and shall not exceed \$6,000 for a maximum total of \$66,000. This will result in an extension of the affordability period by two years, for a maximum total of seven years.

INELIGIBLE PROJECTS

Applications failing to meet ownership, occupancy, and income requirements will not be considered for funding. In cases where multiple systems are not operable the project may be found ineligible. For purposes of this program, mobile homes built prior to 1980 are not eligible for funding.

OUTREACH AND MARKETING

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

QUALIFICATIONS

Location

The mobile home shall be located in a mobile home park within the city limits of the City of Fresno. Mobile homes located in flood areas designated by FEMA will not be considered for funding due to safety and compliance concerns. Please refer to FEMA's flood zone [maps](#).

Permissible Foundations

Concrete slabs of either 4" or 6" thickness. Additionally, securing the home using metal tie-down straps to the steel beams and slab at intervals established by the manufacturer's manual. Block skirting must be mortared, reinforced and cavities filled.

Concrete runners. These are footing strips poured longitudinally the entire length of the home. In particular, these footing strips are made to fit the homes' beams, marriage line, and perimeter. Again, block skirting must be mortared, reinforced, and cavities filled.

Perimeter wall foundation with ribbons. This method replaces the block skirting with a poured wall. Moreover, positioning horizontal footings for all blocking supports and anchoring tie-down strapping for securing the steel girders.

Ownership Verification

Program allows for single-family (1 unit) owner-occupied units to participate in the Program. The mobile home must be the owner's principal place of residence at the time the application is submitted. Applicants will be required to verify ownership interest in the unit to be rehabilitated. Eligible ownership interests include mobile home title and registration filed with the State of California HCD.

Owner Occupancy Verification

Applicants will be required to provide documents including, but not limited to, California Driver's License/Identification Card, income documentation, tax returns, and bank statements. If any discrepancies exist, further research and clarification or signed statements will be obtained.

Owners on title that do not occupy the home must certify under penalty of perjury that they do not live in the home, do not contribute financially to the home, and must provide proper documentation verifying principal residence.

Income Verification

Income eligibility is based on the gross amount of income of all adult household members anticipated to be received during the next 12-month period. Annual household income may not exceed 60% of the area median income as determined by the HCD. Prior year's tax returns do not determine anticipated income; current pay stubs should be used (2-months). It should be assumed that the current circumstances will continue for the next 12 months, even if it is not clear that the amount of income received currently will continue in the coming year, unless there is evidence to the contrary. When obtaining income verification documentation, it is also important to consider any potential or future changes. Gross income from all sources must be used. This includes:

- Overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services (before any payroll deductions).
- If an upcoming raise is shown on the Verification of Employment, it must be calculated as current income.
- Wages from a second job.
- The regular amount of periodic payments received from Social Security, Supplemental Security Income (SSI), annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts. These amounts should not be grossed up.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay.

- Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling.
- Interest, dividends, and other net income of any kind from personal property. If the household net assets are in excess of \$5,000, gross income includes the greater of:
 - 1) the actual income derived from all the assets; or
 - 2) 2.5% of the value of all such assets.

Income qualification for self-employed persons is based on prior year income tax returns. Net income plus depreciation from the operation of a business or profession will be used. Any withdrawal of cash or assets from the operation of a business will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

Income averaging is permitted only when the borrowers are seasonal employees with fluctuating incomes and provided supporting documentation.

Income Limits

All homeowners must demonstrate that they meet the household income eligibility requirements for the PLHA program and have their household income documented. The income limits in place at the time of grant approval will be applicable when determining the applicant income eligibility. All applicants must have incomes at or below 60% of the area median income (AMI).

State Income Limits 2024

Number of Persons in Household:		1	2	3	4	5	6	7	8
Fresno County Area Median Income: \$87,900	Acutely Low	9250	10550	11900	13200	14250	15300	16350	17400
	Extremely Low	18450	21100	25820	31200	36580	41960	47340	52720
	Very Low Income	30800	35200	39600	43950	47500	51000	54500	58050
	Low Income	49250	56250	63300	70300	75950	81550	87200	92800
	Median Income	61550	70300	79100	87900	94950	101950	109000	116050
	Moderate Income	73850	84400	94950	105500	113950	122400	130800	139250

Number of Persons in Household:		1	2	3	4	5	6	7	8
*Per PLHA	60% of AMI	36,930	42,180	47,460	52,740	56,970	61,170	65,400	69,630

**In accordance with PLHA guidelines and regulations, this program will serve eligible participants with an income at or below 60% of the Area Median Income (AMI)*

Household Size

For qualification purposes, “household size” shall be determined in the following manner:

- The owner will be requested to complete a Household Composition document which will identify persons who currently reside in the home. Income from household members 18 and over will be included as household income. Household members 18 and over must certify they occupy the home and provide income information.

Taxes

Taxes or License Fees may not be in default at time of application.

Relocation

Applicants in the Program agree to voluntarily move out of the home should it become uninhabitable due to the construction paid for or in part of the Program. The City will not provide any relocation benefits if such relocation is necessary.

Standards

Repairs will include improvements necessary to meet the State and local building code standards for mobile homes. Health and safety hazards will be prioritized. In cases where multiple systems are failing the project may be found ineligible.

Ownership Restriction

The funds will be in the form of a five-year forgivable loan with a five-year owner-occupancy restriction. If the unit is no longer the owner's principal residence and/or ownership transfer occurs during the five-year restriction, the entire grant will be due and payable to the City of Fresno. The restriction will be enforced with a lien on the mobile home unit.

State requirements to add a **new legal owner**:

- Statement to Encumber – filed with HCD
- Certificate of Title (if not available as an alternative an Application for Duplicate Certificate of Title is required)
- Current Registration (if not available an Application for Duplicate Registration is required)
- HCD issues new title to the City of Fresno as the legal owner.
- HCD issues registration to owner

OR

State requirements to add a **new junior legal owner**: (when a legal owner is already registered)

- Statement of Lien
- Current registration (if not available an Application for Duplicate Registration is required)
- Submit fees and completed forms and registration card to HCD

Ownership Transfer

When ownership transfer occurs during the five-year owner-occupancy restriction, the entire grant is due and payable to the City of Fresno.

A transfer of ownership will be deemed in the event of the following:

- Upon a sale of the mobile home;
- Upon the conveyance of the mobile home or any right, title, or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary, or by any other method of conveyance;
- Upon the death of the borrower within a five-year affordability period, notwithstanding whether the mobile home is transferred to a successor or beneficiary in interest in accordance with state law.

Loan Security Requirements

The City of Fresno requires borrowers to sign a Note and Security Agreement upon completion of construction. The borrower(s) understands and agrees that signing such Note is made solely to assist borrower in the rehabilitation of borrower's home.

Unit Value

The value of the unit will be determined by obtaining a mobile home sales report from the Multiple Listing System (MLS) and comparing sales of similar mobile homes in the area.

PROCESS

Interest List and Application Process

The Housing Finance Division will be responsible to administer the program. The Real Estate Finance Specialist will be the first point of contact and provide program information and qualifications to interested applicants.

- An interest list will be opened for owners seeking mobile home repair assistance. Persons on the interest list will be contacted to schedule an appointment for a

preliminary inspection by a Housing Rehabilitation Specialist. Applicants will be advised there is no guarantee of a project or funding. If the interest list is exhausted and funding is available staff will reopen the interest list for additional names.

- An application will be delivered to the homeowner by the Housing Rehabilitation Specialist completing the preliminary inspection, including all attachments, required documentation (per the application) and forms.
- Owner will return the completed application and supporting documents to the Housing Finance Division.
- A Real Estate Finance Specialist will review the application and supporting documents for eligibility. If the applicant is deemed eligible, a project identification (ID) number will be assigned and the information entered into the housing database. The project ID number will remain with that project permanently and should be referenced on all future documents.

Construction and Bid Process

The Housing Rehabilitation Specialist will work with the property owner and the contractor on the construction process of the program.

- Inspect the property and work with the owner to determine the repairs needed.
- Take pictures of the property and items of concern.
- Write a scope of work and submit it to Housing Program Supervisor for approval.
- Housing Rehabilitation Specialist will set up a competitive bid process and work with owner to complete scope of work and bid process.
- Invitations to bid will be emailed to participating contractors and include Scope of Work, reports, and property location/map. Invitations to bid are sent to participating and eligible contractors 1 week before the bid tour date.
- The bid tour will be held at the designated residence with owner present. All contractors must be present and sign in during the bid tour, no exceptions will be made. Contractors arriving late to the bid tour may not be allowed to participate. The Housing Rehabilitation Specialist will consider the number of contractors in attendance and the time the contractor arrived to make determination of whether to allow the contractor to participate. The Scope of Work is read out loud with full explanation and all questions addressed. Any required addendums are sent to the attending contractors as soon as possible.
- Cost Reasonableness will be determined by comparing the bids received with the cost estimate prepared by the Housing Rehabilitation Specialist. Bids should generally be within 15% of the City staff's cost estimate. However, if a contractor determines that the work required will exceed 15% of the City's estimate, contractor should explain the reason for exceeding the estimate and staff shall

note the reason in the file.

- In situations where only one bid is received, the owner may select that bid if it is within 15% of the Housing Rehabilitation Specialist cost estimate. Bids below 15% of the cost estimate may be determined to be unresponsive.
- The City recommends that the owner contract with the lowest responsive and responsible bidder. However, the owner may select a contractor that is within the cost estimate. All addendums must be signed and sent in with the bid. A project start and finish date is estimated.
- The Housing Rehabilitation Specialist must also confirm that the contractor's insurance information is accurate and approved before the contract is signed.
- General contractors interested in participating in the Program may contact the Housing Division for information and application. Interested applicants may complete an application and submit to the Housing Rehabilitation Specialist. The application will be reviewed and references will be verified by staff. The contractor application shall include: CSLB license, City of Fresno Business License, UEI Number and insurance. Contractors will be required to register on SAM.gov. Contractors interested in participating may not be debarred from participating in federally funded programs. Contractors awarded a contract must meet insurance requirements as approved by Risk Management. Each project file will include copies of contractor's documents.
- The following information will be submitted to the Real Estate Finance Specialist for completion of Application Summary:
 - Project Approval Journal
 - Scope of Work
 - Change Orders
 - Bid and Proposal
 - Cost Breakdown with contingency amount.
- Real Estate Finance Specialist will ensure the income information has not surpassed one year from the date the contract is signed.
- Housing Rehabilitation Specialist shall provide contract that includes the Owner Participation Agreement between the Owner and City of Fresno, Owner/Contractor Agreement, General Conditions, Preconstruction Conference Responsibilities, Final Scope, Payment Schedule and Change Orders if applicable. Copies of the signed contract and scope of work are given to the owner and contractor after signing. All owners must sign the contract documents. Payment requests become part of the contract. The Notice of Completion is added at completion of the project.
- Inspections will be done at initial inspection, at time payment requests are made, and at project completion. Housing Rehabilitation Specialist will log inspection dates and pertinent conversations related to the project.
- If there is any indication of a problem with the project, the Housing Rehabilitation Specialist will maintain detailed notes of all conversations and visits to the project site. The Housing Rehabilitation Specialist will Immediately bring concerns to the

attention of Management with all available information to develop an immediate resolution.

- Change orders must be approved in writing and signed by all parties before the contractor may proceed with any change orders.
- Verification of all permits issued for the project must be checked to ensure that the final inspections have been approved and signed off by the City of Fresno and State HCD before the Notice of Completion is signed by the owner.
- Payments will be made to contractor for eligible expenses. Rehabilitation Invoices must list the line items from the scope of work that are 100% complete with no “punch list” corrections and passed inspection by the Housing Rehabilitation Specialist. Invoices are given to the Housing Program Supervisor for processing and tracking. Compare bid with invoice to ensure there are no discrepancies. Housing Program Supervisor will process payment to proper account, fund and org for entry into Munis.
- Notice of Completion is signed when the project is 100% complete, inspected by the Housing Rehabilitation Specialist and owner.
- Owner to sign a Promissory Note and Security Agreement with the Real Estate Finance Specialist upon 100% completion of the construction.
- Once the project has been completed and punch list items corrected, if applicable, the contractor submits invoice for payment. The Housing Rehabilitation Specialist reviews and presents the request for payment to the Housing Program Supervisor for approval and processing. The owner must sign Payment Schedule and Certificate of Final Inspection. Housing Program Supervisor will review and process payment to contractor and ensure program budget is not exceeded.
- If at final inspection all work has been completed according to the contract and approved by Staff, the homeowner cannot withhold payment. The City’s Housing Finance Division Manager will provide final resolution to any claims and disputes arising from performance of work and/or payment entitlements.
- All applicable sections pertaining to the project must be filled in on the Project Journal Form and included in the file.
- Rehabilitation file is given to the Real Estate Finance Specialist for closeout.

CONSTRUCTION WARRANTIES

Rehabilitation work is guaranteed for one year, and three years for new roofs, from project completion. The owner is to contact the contractor for items of concern.

Manufacturer warranties shall be provided to the owner by the contractor.

AMENDMENTS TO PROGRAM RULES

The Housing Manager may change program requirements from time to time to meet program objectives. All changes will be required to meet federal and state guidelines.

PROGRAM CLOSEOUT

The City reserves the right to close-out the Program once funds have been exhausted.

ANTI-DISCRIMINATION

Section 504 of the Rehabilitation Act of 1973, as amended, states that no otherwise qualified individual with disabilities in the United States shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

The City and Contractor shall not illegally discriminate against any persons on basis of race, color, ancestry, national origin, religion, sex, age, marital status, family status, source of income/rental assistance subsidy, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), sexual orientation, or any other arbitrary basis account of, race, religion, sex, family status, age, handicap, or place of national origin in its performance of this Agreement and the completion of the Project.

CONFLICT OF INTEREST

No member of the governing body of the locality and no other official, employee, or agent of the local 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 State of California, Department of Housing and Community Development (HCD) policies.

MONITORING

The City of Fresno will perform annual monitoring procedures on all loans provided. The monitoring may consist of a letter that will be sent out once a year asking participants to verify that the home is still their principal place of residence, or other means of verification as identified by the City. Monitoring will continue for a period of five (5) years from the date of the completion of the construction or until the home is no longer the participant's principal residence. Verification of fire insurance and payment of property taxes (if any) are required on all loans and will be included as part of the annual monitoring. Homeowners will be required to assist and facilitate annual monitoring procedures as administered by the City. Failure or refusal by Owner to cooperate with City monitoring shall be deemed a material breach of the loan agreement between the Owner and the City.

APPEALS

If an application is turned down the Real Estate Finance Specialist will mail a cancellation letter to applicant. The applicant may appeal, in writing, within ten (10) days after the occurrence. The appeal must clearly state the reasons for the appeal. The appeal will be filed with the Housing and Community Development Division Manager, who will review the appeal and respond within 15 days. If the appellant is not satisfied with that response, the appeal may be presented to the Development and Resource Management Department Director, or his designee, within thirty (30) days of the Division Manager's response. The Director will attempt to resolve the grievance within fifteen (15) days. The ruling of the Director will be final.

REHABILITATION APPLICATION AND CONSTRUCTION TIMELINE (ESTIMATE)

Application mailing and intake – 15 days to respond + additional time for conditions

Underwriting, review and approval – 15 days to review application and supporting documentation

Add a Lien holder (a legal owner) or Junior Lien-3 months

Inspection, order and receive inspection reports – 15 days

Complete scope of work and review with owner – 30 days

Schedule and set up bid tour – 14 days

Select contractor and sign contract – 10 days

Construction – 90 days

Closeout of project – 10 days