



MOBILE HOME REPLACEMENT PROGRAM GUIDELINES

PROGRAM OVERVIEW

The City of Fresno's Mobile Home Replacement Program (MHRP) expands upon the existing Mobile Home Repair Program (MRP) to address a critical gap in housing assistance for residents living in obsolete or irreparable mobile homes. Many of these homes, particularly those constructed prior to 1980, cannot be adequately served under the current repair program.

The MHRP leverages existing MRP infrastructure, including outreach, intake, application processing, approval workflows, and post-installation oversight, to ensure efficient administration and homeowner support.

FINANCIAL ASSISTANCE

- Support is provided to low-income families, earning up to 80% Area Median Income (AMI) or lower.
- Assistance is provided as a 15-Year Forgivable Deferred Payment Loan for up to \$100,000 or 40% of the total replacement cost, whichever is lower.
- The loan requires no monthly payments and is forgiven in full after 15 years if owner-occupancy requirements are met.
- Repayment is required if the property is sold, transferred, refinanced with cash-out, or ceases to be owner-occupied during the affordability period.

PROGRAM GOALS

The Mobile Home Replacement Program will:

- Replace irreparable mobile homes with safe, code-compliant, energy-efficient units
- Reduce long-term maintenance costs and risk of displacement
- Support low- and moderate-income households currently occupying unsafe or obsolete housing
- Promote housing equity and sustainability in underserved communities
- Maximize the value of public investment by reducing repeat repair costs

This program is distinct from repair efforts and is designed specifically for mobile homes that cannot be practically restored through conventional rehabilitation. It signals a strategic advancement in Fresno's housing initiatives.

THRESHOLD ELIGIBILITY REQUIREMENTS

The following are threshold requirements for program eligibility:

1. **Location:**

- Replacement units must be installed either on the same lot as the original unit or on an available vacant lot within a licensed mobile home park located inside Fresno city limits (excluding County islands), provided the placement of a new unit is authorized by park management and a complete land-lease agreement is in place.
- Installation must be on a permissible foundation system (as defined below under “Permissible Foundations”). Mobile homes in mobile home parks are typically on foundation systems and not a fixture to real property recorded with the County.

2. **Ownership and Occupancy:**

- The applicant must both own and occupy the existing mobile home within the last three years.
- Unit must have a valid California Insignia, HUD label, or Decal number.

3. **Income:**

- Household income at the time of application must not exceed 80% of the Area Median Income (AMI), as published annually by HCD.

OUTREACH AND MARKETING

All outreach and marketing shall comply with State and Federal fair housing and fair lending laws. No person shall be excluded, denied benefits, or discriminated against on the basis of age, ancestry, color, creed, physical or mental disability, marital or familial status, medical condition, national origin, race, religion, gender, or sexual orientation. The City will ensure program accessibility for persons with disabilities and provide reasonable accommodations as needed.

PERMISSIBLE FOUNDATIONS

Concrete slabs of either 4” or 6” thickness, secured with metal tie-down straps to the steel beams and slab at manufacturer-specified intervals.

Concrete runners (longitudinal footing strips along beams, marriage line, and perimeter) with mortared/reinforced block skirting.

Perimeter wall foundations with ribbons (poured wall replacing block skirting with Horizontal footing for supports and strapping)

APPLICATION PROCESS

1. Education Requirement

Applicants purchasing the unit through a primary loan must complete an 8-hour HUD-approved homebuyer education course, whether through primary financing, private financing, or cash purchase, prior to installation. Certificates must be dated within six months of the anticipated installation date.

2. Pre-Application Coordination

The applicant must engage a participating lender or mortgage broker to assess eligibility and funding capacity.

3. Inspection & Verification

City staff and a certified inspector will schedule an inspection with the homeowner to verify irreparable structural conditions on the existing mobile home.

4. The OWNER will independently shop for and select a VENDOR that offers a like-for-like replacement model for the new mobile home unit.

- Vendor quotes and HUD certification of the proposed unit are required

5. Submission of Application Package

A complete application packet must be submitted by the applicant's lender or mortgage broker and must include:

- Application
- Pre-approval Letter
- Eligibility Worksheet
- Household composition form
- Credit Report
- Ownership and income verification

6. City's Eligibility Review

- Applications are processed on a first-come, first-served basis and may take up to 30 days.
- City will confirm the household size
- Analyze income and asset verification documentation
- Credit Report
- Inspection Report
- Title report
- Title Cert and Registration Card issued by HCD

7. Purchase contract and Open Escrow

- Purchase Contract: The vendor will be responsible for preparing and executing the purchase contract.
- Escrow: The title company will manage the purchase transaction and related documentation.
- City Oversight: While the vendor and title company will handle their respective components, the City will oversee the entire process to ensure compliance with program requirements and timelines.

HOUSEHOLD ELIGIBILITY

• 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 80% of the Area Median Income (AMI) as determined by the State. Prior year's tax returns do not determine anticipated income; current pay stubs should be used (3 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, workers' 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 home.
- Asset income is included if total assets exceed \$5,000 (greater of actual income or 2.5% of asset value).

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 owners are seasonal employees with fluctuating incomes and have provided supporting documentation.

State Income Limits 2026

| Number of Persons in Household: | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|----------------------|-------|-------|--------|--------------|--------|--------|--------|--------|
| Fresno County Area Median Income: \$97,100 | Acutely Low | 10200 | 11650 | 13100 | 14550 | 15700 | 16900 | 18050 | 19200 |
| | Extremely Low | 20450 | 23350 | 27320 | 33000 | 38680 | 44360 | 50040 | 55720 |
| | Very Low Income | 34000 | 38850 | 43700 | 48550 | 52450 | 56350 | 60250 | 64100 |
| | Low Income | 54400 | 62200 | 69950 | 77700 | 83950 | 90150 | 96350 | 102600 |
| | Median Income | 67950 | 77700 | 87400 | 97100 | 104850 | 112650 | 120400 | 128150 |
| | Moderate Income | 81550 | 93200 | 104850 | 116500 | 125800 | 135150 | 144450 | 153800 |

- **Ownership & Residency verification**
 - Unit must be the owner-occupant resident
 - Owner must have been a resident of the current unit within the last three years
 - New mobile home must be used as the owner's primary residence.
- **Household Composition**
 - Based on tax returns, affidavits, birth certificates, and other verifiable records.
 - Income from household members 18 and over will be included as household income, and they must certify that they occupy the home and provide income information.
 - Foster children, unborn children, or individuals seeking custody are excluded from the household count.

MOBILE HOMES ELIGIBILITY

Eligible mobile homes must:

- Be located within Fresno city limits (excluding county islands)
- Be located in a licensed mobile home park
- Have been built prior to 1980
- Have failed inspection for structural, health, or safety deficiencies
- Be owner-occupied
- Be replaced with a HUD code-compliant manufactured unit

Energy-efficient and weatherized replacement models are preferred

ELIGIBLE COSTS

Up to \$100,000 or 40% of the total replacement cost, whichever is lower, in Program funding may be used to cover:

- Cost of a new HUD Code manufactured home
- Transportation and installation of a new mobile home
- Demolition and removal of the existing unit
- Site preparation and utility hookups
- Building code compliance and permit fees
- Non-recurring loan closing costs (e.g., title registration, escrow fees, inspections)

INELIGIBLE COSTS

- Payoff of consumer debts or liens

- Personal loans or refinancing
- Cosmetic repairs to salvageable units
- Temporary relocation expenses
- Luxury upgrades (e.g., granite, marble, pools, sheds, appliances not built-in, upgraded carpets)

UNDERWRITING REQUIREMENTS

CREDIT REQUIREMENTS

- No collection activity or delinquent accounts at the time the application packet is submitted to the City for review
- No unpaid liens or judgments at the time the application packet is submitted
- Bankruptcy must be discharged at least three years prior to the application for financing

TITLE REPORT

- Title report reviewed for ownership, occupancy, and existing liens

CASH OUT

- Any cash out of escrow to the homeowner is not allowed. This is to ensure that the program funds are spent only toward the amount required to pay for actual replacement cost and non-recurring closing costs.

PRIMARY LOAN REQUIREMENTS

- Minimum 15-year fixed mortgage
- Interest rate must be at market rate or below-market interest rate
- Fixed-rate only. No ARMs, no balloon payments, and no deferred interest
- Title must be registered with the primary lender as a primary lien holder with the California Department of Housing and Community Development (HCD)
 - State requirements to add a new legal owner:
 - Statement to Encumber
 - Certificate of Title
 - Registration Card
- Property insurance covering all applicable perils for the full value of the home must be obtained prior to acquisition and maintained during the entire 15-year affordability period. The City of Fresno shall be named as a loss payee on the insurance policy and proof of insurance must be provided and kept on file during the length of the affordability period. Failure to maintain adequate insurance for

the length of the affordability period shall be considered an event of default for purposes of the City's loan.

CITY'S REPLACEMENT LOAN TERMS

- Type: 15-Year Forgivable Deferred Payment Loan
- Interest: 0%
- Payments: No monthly payments are required
- Homeowner's contribution is not required
- Debt-To-Income (DTI) ratios are based on the primary lender's standards, with the following guidelines:
 - The top ratio may not exceed 35% unless an exception applies; the total ratio may not exceed 43%
- The amount of the City's Replacement assistance may not exceed the amount of the primary mortgage.
- Security:
 - Promissory Note and Security Agreement
 - Title registration with HCD will reflect the City's position based on the homeowner's financing structure. When an owner obtains a primary loan, the City is registered as a junior lienholder. If the owner instead contributes their own funds toward the purchase, the City is registered as a legal owner. This applies to any qualifying financing arrangement. The HCD documents required for registration to add a junior lienholder are as follows:
 - Statement of Lien (HCD RT 480.7)
 - Certificate of Title (HCD RT 480.4)
 - Application for Registration Card (HCD RT 481.2)
 - The HCD documents required for registration to add the City as a legal owner are as follows:
 - Statement to Encumber (HCD RT 484.7)
- Loan Forgiveness: If the Owner-Occupied requirement for a 15-year affordability period is satisfied, the loan is forgiven.
Full repayment due upon:
 - Sale of property
 - Owner ceases to occupy as primary residence
 - Conveyance of the mobile or any right, title, or interest therein; whether legal, beneficial, or equitable; whether voluntary or involuntary, or by any other method of conveyance
 - Death of the owner within the fifteen-year affordability period
 - Cash-out refinance
- Prepayment is allowed with no penalties.

- Assumptions and assignments are NOT permitted.

Example Monthly Cost for Replacement Homes (2026)

Double-Unit Replacement

- Total Cost: \$175,000
 - New home: \$127,000
 - Site prep, demolition, installation, closing: \$48,000
- 1st Loan (60%): \$105,000
- 2nd Loan (40%): \$70,000
- Monthly Cost:
 - 1st Loan Payment (6.5%): \$975
 - Property Tax: \$183
 - Home Insurance: \$125
 - Land Rent Fee: \$300-\$600(varies by park)
- Total Monthly Housing Cost: \$1,583-\$1,883
- Income Context: For a 2-person household earning up to \$62,200/year (\$5,183/month, 80% AMI), and the Debt-to-Income (DTI) ratio is between 30% to 36%. DTI calculation: $\$1,583/\$5,183 = 30\%$ which is within PLHA limits.

Single Unit Replacement

- Total Cost: \$127,150
 - New mobile home: \$90,000
 - Site prep, demolition, installation, closing: \$37,150
- 1st Loan (60%): \$76,290
- 2nd Loan (40%): \$50,860
- Monthly Cost:
 - 1st Loan Payment (6.5%): \$709
 - Property Tax: \$115
 - Home Insurance: \$125
 - Land Rental Cost: \$300-\$600 (varies by park)
- Total Monthly Housing Cost: \$1,249-\$1,549
- Income Context: For a 1-person household earning up to \$54,400/year (\$4,533/month, 80% AMI), and the Debt-to-Income (DTI) ratio is between 28% to 34%. DTI Calculation: $\$1,249/\$4,533 = 28\%$ which is within PLHA limits

OWNER-SELECTED VENDOR PROCESS

The Housing Program Supervisor (HPS) plays a central role in coordinating the mobile home replacement process. Under the Owner-Selected Vendor Process, the HPS will oversee the vendor selection workflow and ensure that the OWNER's chosen vendor and proposed replacement unit meet all program requirements. The HPS will guide the OWNER through the documentation process, verify that the selected unit is a like-for-like replacement, and ensure that all activities align with program goals, resident needs, and applicable regulatory guidelines.

1. Owner Vendor Selection

The OWNER will independently shop for and select a VENDOR that offers a like-for-like replacement model for the new mobile home unit. The OWNER may consult with the HPS for clarification on program requirements but is responsible for choosing the vendor.

2. Notification to the City

Once the OWNER selects the VENDOR and the replacement unit, the OWNER must notify the CITY and provide the selected VENDOR and proposed replacement unit/model information. The HPS will review this information to confirm program compliance.

3. Escrow Opening

The selected VENDOR will open escrow for the purchase of the replacement unit. The VENDOR must provide the CITY with the Escrow company name and Escrow officer contact information.

4. CITY review and Approval

The CITY, through the HPS, will review the selected unit, vendor documentation, and escrow information to ensure compliance with program guidelines before authorizing any fund disbursement.

RELOCATE REPLACEMENT UNIT

When a homeowner chooses to install the newly purchased replacement unit on a different lot rather than the current residential space, additional steps and documentation are required to comply with HCD Registration & Titling requirements and City program guidelines. Relocation is only permitted within a licensed mobile home park located inside Fresno city limits (excluding County islands) and must be authorized by park management. A complete land-lease agreement for the new space must be executed before the City can approve the relocation.

- Purpose of these requirements:
Relocating a replacement unit is treated differently from a standard like-for-like replacement installation because the original unit must be properly removed from

the State's registration system. HCD requires that the existing unit be formally reported as salvage before a replacement unit can be placed on a different lot. This ensures accurate ownership records, prevents title conflicts, and confirms that the original unit will not be reinstalled or resold.

- Owner Responsibilities:

The homeowner is responsible for completing all HCD documentation and fees associated with reporting the existing unit as salvage. The owner must also submit copies of these documents to the Fresno County Assessor's Office. The City cannot proceed with relocation approval until all required HCD forms are submitted and accepted.

- Required HCD Documentation for Salvage:

To relocate a replacement unit, the homeowner must submit a completed Salvage Application to HCD, with copies to the Fresno County Assessor's office. A complete application includes:

- Original Certificate of Title – If lost, submit Application for Duplicate Certificate of Title (HCD RT 480.4)
- Current Registration Card – If lost, submit Application for Duplicate Registration Card (HCD RT 481.2)
- Statement of Facts – Salvage (HCD RT 486.4) – Must be signed by all owners on record.

If the Certificate of Title or Registration Card is missing, the owner must request duplicates:

- Application for Duplicate Certificate of Title (HCD RT 480.4) – Includes \$25 processing fee. Ensure the appropriate box is checked on side 2 under Section I, "Certification of Missing Title" of the form.
- Application for Duplicate Registration Card (HCD RT 481.2) – Includes \$25 processing fee. Ensure the appropriate box is checked at the bottom of the form.

- City Requirements for Relocation Approval

Before the City authorizes relocation of the replacement unit, the homeowner must provide:

- Park management authorization confirming the new lot is available and approved.
- Complete land-lease agreement for the new space.
- Proof of HCD salvage submission for the existing unit.

- Vendor documentation confirming installation of the new unit in the new space.

VENDOR PAYMENTS

The City will pay the vendor directly or through escrow. No funds will be distributed to the homeowner.

WARRANTIES

Manufacturer warranties shall be provided to the owner by the vendor. An extended warranty is available at an additional cost.

INSURANCE LOSS PAYEE CLAUSE

- City of Fresno
Planning and Development Department
Housing Finance Division
2600 Fresno Street, Room 3065
Fresno, California 93721
Loan# MHRP- _____

LOAN REPAYMENT

- Payments are voluntary during the deferral period. The owners can begin making voluntary payments at any time without penalty. The City will accept loan payments from the owners prepaying deferred loans, and from the owners making payments in full upon sale or transfer of the property.
- All loan payments are payable to the City and will be made to:

City of Fresno
Attn: Finance Department
2600 Fresno Street
Fresno, CA 93720
- Refinancing or subordination of the primary mortgage will be allowed only for:
 - The existing principal balance, and
 - Reasonable closing costsThe new primary loan must:
 - Be fully amortized
 - Have no balloon payments
 - No cash-out refinance (including payoff of other debts or credit accounts)

MONITORING

The City will conduct annual monitoring during the 15-year affordability period or until the loan is fully paid. Owners must:

- Cooperate fully with City verification efforts of monitoring for a period of fifteen (15) years from the date of installation
- Homeowners must maintain the unit as their principal residence
- Provide active insurance proof
- Property taxes must not be in default

Non-compliance with the City's monitoring procedures may result in loan default.

CONFLICT OF INTEREST

- To uphold the integrity of the Mobile Home Replacement Program and ensure full compliance with state and federal regulations: No elected or appointed official, employee, agent, consultant, or member of any governing body of the City of Fresno, and no member of their immediate family, may obtain any financial interest or benefit from the Mobile Home Replacement Program.
- This prohibition includes direct or indirect interests in contracts, subcontracts, or agreements funded by the program, both during their term of service and for one year following their departure.
- All vendors, contractors, and lenders participating in the program must disclose any potential conflicts of interest in writing to the City prior to execution of agreements.
- Any conflict of interest discovered after funding is awarded may result in loan cancellation, demand repayment, and/or disqualify the involved party from current and future participation.

RECAPTURE & REUSE OF FUNDS

Program funds repaid to the City, whether due to sale, transfer, loan default, or other recapture events, will be treated as program income and must be used for eligible housing activities consistent with state requirements.

- Recaptured funds will be deposited into the City's Housing Mobile Home Program and reserved exclusively for affordable housing programs, including mobile home replacement, repair, or other housing rehabilitation activities serving low-income households.
- Any interest accrued on recapture and reuse of funds held in a local interest-bearing account will be treated as Program Income. Interest earnings will be pooled with repaid loan principal amounts and reinvested for affordable housing programs.
- Program income will not be diverted to the City's General Fund or for non-housing purposes.
- The City will track, report, and monitor the use of recaptured funds in compliance with State reporting requirements and affordability standards.

APPEALS

Applicants denied eligibility may submit a written appeal within 10 days to the Housing Finance Division Manager. If unresolved, appeals may escalate to the Planning & Development Department Director, whose decision is final.