BEGIN Program

APPLICATION TRAINING MANUAL

----------2011----------

State of California

Edmund G. Brown Jr., Governor

Cathy E. Creswell, Acting Director

Department of Housing and Community Development

DIVISION OF FINANCIAL ASSISTANCE

CHRIS WESTLAKE, Deputy Director

BEGIN Program

Coral Gaines, Program Manager

Program Staff

Eleanor Contryman
Arturo Rodriguez
Lagrimas Dalisay
Heriberto Rosales

Department of Housing and Community Development
P. O. Box 952054
Sacramento, California 94252-2054
(916) 327-3646
Fax (916) 322-2904
Website: http://www.hcd.ca.gov/fa/begin

Table of Contents

Introduction 1

Threshold Requirements 2

BEGIN Program Funding Application

Section I.	Application Summary	4
Section II.	Applicant Information	5
Section lII.	Legislative Representatives	5
Section IV.	Governing Board Resolution	5
Section V.	Certification and Commitment of Responsibility	6
Exhibit A	Attachments Checklist	7
Exhibit B	BEGIN Program Application for Funds Regulatory Relief Section	7

Attachment 1. First-Time Homebuyer Downpayment Assistance Program

Section I.	Applicant Information	8
Section II.	Grant Request	8
Section III.	First-Time Homebuyer Program Experience	8
Section IV.	Program Targeting	9
Section V.	Regulatory Relief and Project Enhancements	9
Section VI.	BEGIN Project Information	10
Section VII.	Proposed Financing	13
Section VIII.	Project Costs	14
Section IX.	Unit Descriptions	14
Section X.	Financing and Affordability	15
Section XI.	Bonus Points – Policy Objectives	18

Appendix A **20**

BEGIN PROGRAM APPLICATION TRAINING MANUAL

INTRODUCTION:

The California Department of Housing and Community Development (HCD) is responsible for administering the BEGIN Program, established and described in Chapter 14.5, Section 50860 through 50866 of Part 2 of Division 31, Health and Safety Code. The BEGIN Program is a homeownership program designed to make grants to qualifying cities and counties that provide incentives or reduce or remove regulatory barriers for housing developments as set forth in the BEGIN Program Guidelines. These grants shall be used for downpayment assistance in the form of a loan to qualifying first-time homebuyers of low- and moderate-income purchasing newly constructed homes in a BEGIN Program project. BEGIN Program Guidelines were amended on May 23, 2011.

This manual provides information on how to apply for funds through the Notice of Funding Availability (NOFA) process. Prior to completing this application, you should have obtained and read the BEGIN Program Guidelines. The guidelines contain all of the information you will need to determine:

- applicant eligibility;
- eligible activity;
- eligible use of funds;
- homebuyer eligibility;
- requirements for local program administration;
- mortgage assistance requirements;
- loan servicing requirements;
- reuse account requirements;
- legal documents;
- funding disbursements;
- reporting requirements;
- performance goals; and
- defaults and loan cancellation.

HCD has issued a NOFA for funding under the BEGIN Program. The NOFA is for approximately $17 million which was provided by the passage of Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002. The BEGIN Program is designed to foster partnerships between local jurisdictions and housing developers to encourage them to join together to reduce the cost and increase the supply of new homeownership opportunities for low- and moderate-income households. The local jurisdiction's role is to offer specific forms of regulatory relief, regulatory barrier removal, or incentive to the identified BEGIN Program project(s) that reduce the per-unit cost of the housing. You may apply for this downpayment assistance program if you meet the eligibility requirements pursuant to Section 112. Instructions for the completion of the

application is included in this training manual. As you complete your application, you should refer to this manual for any questions you might have.

Applicants are required to use the application form supplied by HCD. The NOFA describes the deadline for application submittal, and any additional requirements that are needed prior to filing. Review the NOFA carefully prior to completing an application. The NOFA will give information as to whether this application is an "over-the-counter" or a "competitive rating and ranking". An "over-the-counter" is open until all available funds are exhausted and information whether oral or written will be accepted after submission of the application. If the NOFA is a "competitive rating and ranking" NOFA, no information (whether written or oral) will be accepted after the application is submitted to HCD. Therefore, when you have completed your BEGIN Program application, carefully review it before submitting it to HCD. The application must be submitted in a three-ring binder with attachments tabbed along with a copy (this means two binders will be required). If you have questions concerning the preparation of your BEGIN Program application, please contact BEGIN Program staff for assistance.

Applications submitted in accordance with the application submission requirements will be reviewed to ensure that they have met the application threshold requirements. Applications must meet threshold requirements in order to continue for funding consideration.

Threshold Requirements:

- Applications must be received by the application deadline as specified in the NOFA or if an over-the-counter NOFA, until all funds are exhausted.
- Applications must be submitted on the forms provided by HCD with no alteration or modification.
- Applications must include an executed resolution and must be the original or certified copy.
- Applications must be signed by the person authorized in the resolution.
- Application funding requests must not exceed the maximum amount allowable under the NOFA.
- Activity amounts may not be less than the minimum amount specified in the NOFA.
- The Developer that the Applicant proposes to use for their BEGIN Program project, must be eligible pursuant to Section 113.
- Applicants must propose an eligible activity within the NOFA for which they are applying.
- Applicants must propose an eligible use of funds.
- Developers must have site control.
- Applicants must have loan servicing experience or submit a plan for loan servicing demonstrating how loan servicing will be funded or provided.
- Applicants shall have no pending lawsuits that will affect implementation.

- Applicants shall have no unresolved audit findings as specified in the applicant's certification.

NOTE: Acceptance of the BEGIN Program application for evaluation does not constitute acceptance of all the contents of the application by HCD. If the application is funded, HCD reserves the right to revise any aspect of the application to make it comply with BEGIN Program Guidelines and HCD Policy.

Instructions for completing the application for the NOFA are contained in this manual.

If you have any questions about submitting your application, the correct forms to use, the deadlines for submittal of application or any other questions, please contact the BEGIN Program staff.

BEGIN Program Staff

Eleanor Contryman	916 327-3742
Coral Gaines, Program Manager	916 327-3632

PART I. GENERAL FUNDING APPLICATION

The General Funding application when submitted must include:

Two original copies of the BEGIN Program General Funding Application (for the current NOFA) including the following:

Exhibit A Attachment Checklist

Exhibit B BEGIN Program Application Regulatory Relief Section

Attachment 1 First-time Homebuyer Mortgage Assistance Program

NOTE: If the applicant has several projects that they are applying to the BEGIN Program for funding, each project must be submitted on a separate application. The applicant may submit as many applications as they need to.

Attachment 2 Legislative Representative List

Attachment 3 Governing Board Resolution – fully executed

Attachment 4 Regulatory Relief Scoring Sheet

Attachment 5 Project Readiness Scoring Sheet

Attachment 6 Bonus Points – Policy Objectives

Attachment 7 Checklist for Targeting Homeownership Units that Meet Universal Design Standards

SECTION I. APPLICATION SUMMARY:

Subsections A-E.

Requires basic identifying information about the applicant. The contact person listed should be the person who can best answer questions regarding the application and proposed project. Be sure the phone number and the email address are correct. (Please remember to notify HCD if the contact person or phone number changes, in order to keep the information current.) In addition, because HCD uses e-mail to forward the standard agreements (contracts) to awarded applicants, please ensure that the e-mail address provided, is the staff person best equipped to process the contract(s).

Subsection F.

Requires information about the proposed project. This chart must be complete and consistent with information given in other sections of the application. The chart should be completed as follows:

- Fill in the information in the columns to the right.
- The number of units to enter here is the number of BEGIN Program-assisted units the applicant proposes to fund under this application; this number must be consistent with the number of units listed in other sections of the application.

Subsection G.

Self-explanatory.

Subsection H.

Requires that the applicant give a brief description of the proposed project. An example might state:

> *BEGIN Program funds will be used to provide downpayment assistance in 10 townhomes to eligible households in order to achieve affordability. RDA funds will be used to provide third mortgages, as necessary, to make the home affordable.*

Subsection I.

Self-explanatory.

Subsection J.

A project located in an area that is 100% rural, is eligible to receive rural set-aside consideration for the specific project.

- If the proposed activity service area is rural, applicants must indicate census tract numbers in order to receive consideration under the rural set-aside. Census tract numbers in metropolitan counties that meet the definition of rural are listed in Appendix A. Appendix A also includes a listing of nonmetropolitan counties that are completely rural. It is extremely important for the applicant to provide accurate census tract information and verify the requested census tract citation(s). Projects in rural areas are eligible to receive priority funding pursuant to the geographic distribution set-asides listed in the NOFA. One hundred percent (100%) of the specific project must be in a designated rural area to receive the rural set-aside consideration.

Please refer to Appendix A of this manual for a listing of rural census tracts and nonmetropolitan counties.

SECTION II. APPLICANT INFORMATION:

Requires the applicant to check the appropriate box for their locality type.

SECTION III. LEGISLATIVE REPRESENTATIVES:

HCD informs the applicant's legislative representatives when a commitment of funds is made. The application contains a form labeled **Attachment 2**. **Complete the form and include it in the application as Attachment 2.** Applicants should list the legislative representatives for the location of the project. Please make sure this information is current as of the application date. **Note:** Please include the proposed project's address on the form.

SECTION IV. GOVERNING BOARD RESOLUTION:

An executed resolution must be included in every application submitted to HCD. A sample resolution is included in the application package as **Attachment 3.** We suggest you either use this resolution or incorporate all elements of the sample into your own resolution. The resolution should be dated after the issuance date of the NOFA and should reference the current BEGIN Program NOFA. The resolution should authorize submittal of the application and execution of the Standard Agreement. The person

attesting to the validity of the resolution cannot be the same individual as the one granted signatory authority in the resolution. If the application is submitted unsigned or signed by someone other than the individual authorized in the resolution, the application will be rejected.

SECTION V. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:

In addition to the resolution authorizing the submission of the application, the person authorized in the resolution must certify to knowledge of the responsibilities that are assumed when contracting with the State for BEGIN Program funds. In addition, this certification ensures that this individual acknowledges both the contents and information in the application and that it is accurate and correct. By signing this certification, the applicant is also authorizing HCD to contact any agency that may assist in determining applicant capability, whether or not named in the application.

Subsection A.

Self-explanatory.

Subsection B.

Certifies that BEGIN Program funds:

- shall only be used as gap financing, and only as necessary to provide affordable housing for low- and moderate-income first-time homebuyer mortgage assistance loans; and
- acknowledges that applicants that are awarded BEGIN Program funds are required to follow the program guidelines in determining the need for BEGIN Program funds for each homebuyer.

Subsection C.

Requires the applicant to certify that there are no unresolved audit findings for prior-funded HCD projects or programs, federally funded housing or community development projects or programs. If the applicant is not able to certify that there are no unresolved audit findings, then the applicant is not eligible to apply. Please do not fill out or submit a BEGIN Program application if unable to certify that there are no unresolved audit findings. HCD monitoring findings are not audit findings. If the applicant has questions about audit findings, please contact BEGIN Program staff prior to filling out the BEGIN Program application.

Subsection D.

Requires the applicant to certify that there are no pending lawsuits that would impact the implementation of this program. If the applicant is not able to make this certification, then the applicant is not eligible to apply. Please do not fill out or submit a BEGIN Program application if you cannot certify that there are no pending lawsuits impacting the implementation of this program. If the applicant has questions about pending lawsuits, please contact BEGIN Program staff prior to filling out the BEGIN Program application.

Subsection E & F.

Self-explanatory.

Subsection G.

Applicant should read the program guidelines sections regarding the administrative requirements for each specific activity for which it applies and make sure that it is capable of performing the activities listed.

EXHIBIT A – Attachment Checklist

All applicants must fill out this exhibit. It assists the preparer in ensuring that all applicable attachments and exhibits accompany the application when it is submitted to HCD. BEGIN Program staff also use it to determine whether an application is complete at the time of submission. Please ensure that all attachments and supporting documentation are included with your application.

Include this form in the application behind a tab marked "Exhibit A".

EXHIBIT B - BEGIN Program Application for Funds Regulatory Relief Section

Self-explanatory.

ATTACHMENT 1 – FIRST-TIME HOMEBUYER MORTGAGE ASSISTANCE PROGRAM

Attachment 1 is required for all applicants proposing to use BEGIN Program funds for mortgage assistance for first-time low- or moderate-income homebuyers. This would include local public agencies or localities (a local public agency or locality means a city and/or county).

Include this attachment in the application behind a tab marked Attachment 1.

Section I. Applicant Information

Identify the applicant.

Section II. Grant Request

Amount of funds requested.

Section III. First Time Homebuyer Mortgage Assistance Program Experience

Subsection A

Information is required regarding prior experience of the applicant in a first-time homebuyer mortgage assistance program operation for 12 consecutive months, by calendar year. All three columns must be completed. List all funding sources used during the 12-month period for permanent financing. The purchase escrows listed must be escrows where the applicant provided services. Do not include escrows in progress or yet to be completed. Include all sources of funding, except the first mortgage, to determine the average amount of assistance provided by the applicant. Only count the experience of the applicant organization, not the experience of individual staff. If you have too many funding sources to fit in the chart, you may attach a separate chart/printout; however, it must include the information, in the same order as requested in the application chart.

Subsection B

A narrative of the applicant's history and experience with the proposed activity. This should be kept to one or two pages. The applicant must also include evidence of program operation. Staff must be able to tell from the documentation submitted that the applicant has operated the program for each year indicated in the chart above.

The narrative and documentation should be included in the application behind a tab marked Attachment 1-1.

Section IV. Program Targeting

1. Number of BEGIN Program qualified homebuyers to be assisted.

2. Provide data source used to set BEGIN Program unit sales price (such as FHA 203b sales data).

Section V. Regulatory Relief and Project Enhancements

The applicant must have a minimum of 200 points of regulatory relief measures prior to submitting this application. You will be required to indicate briefly how such relief is provided to the BEGIN Program project and you must include clear and supporting documentation for each provision of regulatory relief. Provide documentation in Attachment 1-2 of adoption or amendment of polices or other action intended to reduce the cost of housing development in this BEGIN Program project. Provide evidence that the applicant is committed by formal action of the governing body or authorized official to reduce requirements, waive fees or provide other forms of regulatory relief on the BEGIN Program project identified in the application. If authorization is provided by someone other than the governing body, provide evidence of delegation of the authority. Provide documentation of the previous standard fee that existed before this or these changes. Use the charts that are provided to describe the extent of the regulatory relief or incentive of which must have a financially measurable effect in terms of development cost savings. List only those relief measures which you have documented a commitment to this BEGIN Program project. (Attachment 1-2)

Subsection A-1

To be eligible for points, the application must demonstrate cost savings in terms of development costs by measuring the difference between the permit procedure or time before and after the regulatory relief action.

Subsection A-2

The extent to which regulatory relief is provided in a manner other than listed above, such as Modification of Zoning, Density and Development Standards; Reduction in Parking Standards; Development Incentives; Mitigation of Fees and Exactions and Jurisdiction-wide Regulatory Relief Bonus Points. (Attachment 1-3)

Subsection B

Self-explanatory.

Subsection C

Additional objectives:

1. The higher the percentage of BEGIN Program assisted units that will be affordable to low-income the greater the points received.

2. Is the project located on a site designated as “infill”? (Attachment 1-4)

3. Is the project located within .25 miles to public transit, public school, parks & recreational facilities? Show location on the Map. (Attachment 1-5)

4. Is the project in any of the listed job centers? (MSA – Metropolitan Statistical Area)

Section VI. BEGIN Project Information

Requires basic identifying information about the Developer of the project. The contact person listed should be the person who can best answer questions regarding the application and proposed project. Be sure the phone number is correct. (Please remember to notify HCD if the contact person or telephone number changes.)

Subsection 1

Copy of the agreement between the locality and Developer. (Attachment 1-6)

Subsection 2

Requires information regarding prior experience of the Developer in developing homeownership new construction projects from site selection through construction completion and sale to the homebuyer. All five columns must be completed. **The construction completion date must include a month and year or no credit shall be given for that project.** The projects listed must be completed projects, not projects in progress or projects to be completed. (You can list projects completed in a phased development if the phase has been completed.) You may attach a separate chart/list; however, it must include the information, in the same order as requested in the application chart.

Subsection 3

Developer must provide a narrative demonstrating that he/she has developed a minimum of two similar projects. (Attachment 1-7)

Subsection A. BEGIN Project Information

The name of the Project.

Subsection B. Location(s) (Attach a map as attachment 1-8)

For the proposed development site, please list all information available that describes the site: street address (if available), city, county, assessor's parcel number, and lot number (if available). If the applicant is proposing a scattered site development the above listed information must be provided for all sites.

Subsection C. Site Approvals

Be sure to answer all three questions regarding tentative map, final map and phasing.

Subsection D. Site Control

Requires a preliminary title report dated within six months of the application final filing date as stated in the NOFA. Submittal of the report is required regardless of the form of site control, i.e., an applicant who has a grant deed to the property is still required to submit the required preliminary title report.

The preliminary title report must be included in the application behind a tab marked Attachment 1-9.

Subsection 1

Site control documentation must be included in the application behind a tab marked Attachment 1-10.

Note the following regarding site control documentation:

- Fee title should be documented with a copy of the grant deed.

- The site control documentation must show that the developer has legal control of the site. If this is not clear from the documentation in the application request, the applicant should submit additional documentation in this application to clearly establish that site control by the applicant does indeed exist.

- Options to purchase, options to lease (not less than 40 years) or disposition and development agreements cannot have an expiration date prior to the application final filing date as stated in the NOFA plus 120 days. If your options or agreements expire prior to that date, be sure to have an executed extension in your application.

- Be sure that contracts, agreements, options and any extensions are fully executed (signed by all applicable parties). If any signatures are missing, it is not evidence of site control and won't be counted as such.

- Be sure that the site described in the site control documents matches the site described in the preliminary title report.

- The preliminary title report should indicate that the owner is the same as the seller executing the site control documents (sales contract/option/agreements) and has the right and ability to convey title or lease the land or that the applicant is the current owner.

Subsection 2

Indicate the full purchase price of the site(s).

Subsection 3

If an appraisal is available, indicate the appraised value of the site(s).

Subsection E

Requests documentation of the status of local approvals for the project. Two things are important here:

- The letter must be signed by a local government official for the jurisdiction in which the project will be located.

- There are six types of approvals listed under this item. The letter obtained must respond to all six of these items. The letter should be clear as to whether approval has been obtained, is pending or is not applicable. A sample approval letter is attached as the last page of the application. Be sure the letter you obtain contains the same information as this sample letter.

The letter should be included in the application behind a tab marked Attachment 1-11.

Subsection F

Evidence that the design team has been identified. (Attachment 1-12)

Evidence that the building contractor has been identified. (Attachment 1-13)

Subsection G

Self-explanatory.

Subsection H

Self-explanatory.

Subsection I

This section asks the applicant to describe any offsite or onsite improvements needed prior to commencement of unit construction and the estimated dates such improvements will be completed. **NOTE**: "Offsite" improvements are improvements that are required for the project that are located completely outside the boundaries of the proposed project site. "Onsite" improvements are completely within the boundaries of the project site(s) or parcel(s). Streets, curbs, gutters, sewer lines etc., that are all required within the project site boundaries are "onsite" improvements.

Subsection J

Self-explanatory. Project will need to be completed within the 36 months.

Section VII. Proposed Financing

This section asks for copies of any commitment letters or funding commitment resolutions for the proposed project. **NOTE**: Letters of Interest are not considered commitments and will not be given consideration in the application's rating and ranking.

The commitment letters or resolutions must state:

- borrower name;
- the lender's name, a lender contact person and phone number;
- the address(s), assessor's parcel number(s) or legal description(s) of the site(s) to be financed;
- type of financing to be provided, i.e., construction, acquisition;
- total amount of financing to be provided;
- term of loan and interest rate; and
- date of commitment expiration.

NOTE: If USDA Rural Development is the unit construction and permanent financing lender (mutual self-help projects), submit a copy of the current 523 technical services agreement for this location.

If you are proposing a subdivision project in which a construction financing commitment can only be obtained in phases, you will be given credit for only those units that are proposed to be developed in the application for which there is a construction financing commitment.

Letters for property acquisition financing should be included in the application behind a tab marked Attachment 1-14.

Letters for construction financing should be included in the application behind a tab marked Attachment 1-15.

Letters for non-BEGIN Program project subsidy/assistance, which will be part of the permanent financing, should be included in the application behind a tab marked Attachment 1-16.

Section VIII. Project Costs

Subsection A

The applicant must include a line item development budget for the project. This should include all costs required to complete the project through sale of the finished homes.

The line item development budget should be included in the application behind a tab marked Attachment 1-17.

Subsection B

The applicant must provide a construction Sources and Uses Chart. The Sources and Uses Chart should list all lenders proposed for acquisition/construction financing, including the BEGIN Program and should indicate which items are to be paid for by each source.

The construction Sources and Uses Chart should be included in the application behind a tab marked Attachment 1-18.

Section IX. Unit Descriptions

The chart must have all six columns completed. Please give an estimate as to the number of units of each model that will be available to BEGIN Program eligible buyers. Include the BEGIN Program loan amount in total amount of permanent liens proposed. The following chart is an example of how an application's chart might look:

Model Number	Number of Units	# of low- or moderate-income	Square Footage (Living Space)	Number of Bdr/Ba	Total Amount of Permanent Liens Proposed including CalHome loan	Proposed Sales Price*
A	2	80%	1,000	2/2	$125,000	$130,000
B	8	4@ 80% 4@ 120%	1,200	3/2	$135,000	$140,000
C	4	120%	1,400	4/2	$145,000	$150,000

*** Sales prices <u>cannot exceed</u> the estimated appraised value using the sales of comparable properties approach to determine value.**

<u>Section X. Financing and Affordability</u>

<u>Subsection A</u>

Describe the proposed sources of permanent financing that will be available or are expected to be available to first-time homebuyers. Please check all that apply. The choices are:

- Conventional
- FHA means FHA-insured loans
- CalHFA means loans administered and funded by the California Housing Finance Agency
- USDA-Rural Development means loans administered and funded by the U.S. Department of Agriculture-Rural Development Program
- Federal HOME means a loan, grant or other subsidy provided through a program funded by the HUD Federal Home Investment Partnerships Program
- Redevelopment Agency
- And/or a source not described above

The chart then asks you to name each proposed source of permanent financing and the proposed lien position for that funding source. **NOTE**: BEGIN Program loans are to be recorded in the first lien position behind the last performing loan. For example:

Source of Financing	Proposed Lien Position
CalHFA or Conventional	1st
BEGIN Program	2nd
FHLB-AHP or Redevelopment Agency	3rd

In this example, first-time homebuyers might be receiving either a CalHFA loan or a conventional loan as the first mortgage position lender and an AHP or RDA loan/grant

as the third position lender behind the BEGIN Program loan. The purpose of this table is to provide BEGIN Program staff with an understanding of your program structure. Staff is aware these proposed financing sources are subject to change.

Subsection B

Terms and conditions of permanent financing subordinate to the BEGIN Program loan including:

1. Source of subordinate financing;
2. Average amount of subordinate loan per unit; and
3. Terms of subordinate loans.

Subsection C

This section is a demonstration of the feasibility of the funding sources that have been identified in Subsection A. above. This will need to be done for both low-income buyers and moderate-income buyers.

1. On the first line indicate what you think will be the average sales price of homes to be purchased under your program, less any applicant required homebuyer equity contribution.

2. On the second line enter the average amount of BEGIN Program assistance to be provided under the program.

3. On the third line, enter the average amount per unit of all other subordinate mortgage assistance to be provided to homebuyers, if any. (NOTE: Subordinate financing must defer principal and interest payments for the term of the BEGIN Program loan.)

4. On the fourth line, subtract the amount(s) on lines 2 and 3 from line 1. The result is the average amount of first mortgage financing a homebuyer will need.

5. The fifth line asks for an estimate of the monthly mortgage payment (PITI= Principal, Interest, Taxes and Insurance) required for the amount of mortgage identified on line 4. For purposes of this application we ask that mortgage payments be based on a 5% loan, amortized for 30 years. This means multiplying the estimated mortgage amount by **.005368217**. The result will be the monthly principal and interest payment:

$ 100,000 mortgage amount
x .005368217
$537.00 monthly principal & interest payment

Property tax payments should be estimated at 1.25% of sales price per year, divided by 12:

$100,000 x .0125 ÷ 12 = $104.00 per month

Homeowner's insurance should be calculated at .35% of sales price per year, divided by 12:

$100,000 x .0035 ÷ 12 = $29.00

In this example then, the PITI or monthly mortgage payment would be:

$537	principal and interest payment
104	property taxes
29	homeowner's insurance
$670	monthly mortgage payment (PITI)

The amount of $670 would be entered on line 5. To determine the amount of annual gross income necessary to support that monthly housing payment, divide the payment by 30%, then multiply by 12:

$670 ÷ .30 x 12 = $26,800

$26,800 would be entered on the sixth line as the amount of gross annual income necessary to support the monthly housing costs associated with a $100,000 mortgage.

Or:

Expected Average Sales Price, Less Homebuyer Equity:	$ 125,000
Less Average BEGIN Program Mortgage Assistance to be given:	$ 20,000
Less Average Other Assistance to be received, if any:	$ 5,000
Average First Mortgage:	$ 100,000
Estimated Monthly Payment on First Mortgage (PITI):	$ 537
Annual Income Needed to Support Above Payment (Based on the homebuyer paying 30% of gross annual income for PITI)	$ 26,800

Section XI. Bonus Points – New Policy Objectives

A. Targeting Energy Efficient Homeownership

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans exclusively for transactions where the units purchased are energy efficient. Applicants need to self-certify their activity on the form provided (Attachment 6).

B. Targeting Homeownership Units

Attach checklist and label as Attachment 7.

Application Training Manual

Appendices

Appendix A	Nonmetropolitan Counties and Census Tracts Eligible as Rural

Appendix A

BEGIN Program 2005 Eligible and Ineligible Census Tracts

List of Census Tracts in Metropolitan Areas Which Are Eligible and Ineligible as
"Rural" Pursuant to Health and Safety Code Section 50101
Effective January 1, 2005

Nonmetropolitan Counties	Rural Census Tracts
Alpine	Entire county is rural.
Amador	Entire county is rural.
Calaveras	Entire county is rural.
Colusa	Entire county is rural.
Del Notre	Entire county is rural.
Glenn	Entire county is rural.
Humboldt	Entire County is rural.
Imperial	Entire County is rural.
Inyo	Entire county is rural
Lake	Entire county is rural.
Lassen	Entire county is rural.
Mariposa	Entire county is rural.
Mendocino	Entire county is rural.
Modoc	Entire county is rural
Mono	Entire county is rural
Nevada	Entire county is rural
Plumas	Entire county is rural
San Benito	Entire county is rural
Sierra	Entire county is rural.
Siskiyou	Entire county is rural.

Appendix A

BEGIN Program 2005 Eligible and Ineligible Census Tracts

List of Census Tracts in Metropolitan Areas Which Are Eligible and Ineligible as
"Rural" Pursuant to Health and Safety Code Section 50101
Effective January 1, 2005

Tehama	Entire county is rural.
Trinity	Entire county is rural.
Tuolumne	Entire county is rural.

This list contains information on census tracts in metropolitan counties which are eligible as “rural” as defined in Health and Safety Code Section 50199.21. There is a separate list of non-metropolitan counties.

The listed ineligible census tracts are ineligible or partially ineligible for one of two reasons: they are either in whole or in part:

1. Tracts in urbanized areas, as designated by the U.S. Census Bureau, or

2. Other tracts in cities of more than 40,000 population and adjoining unincorporated areas.

Tracts on the edges of the above areas often extend into rural areas, and any portions of such tracts which are defined as rural eligible by Rural Housing Service (RHS - formerly FmHA) are eligible as rural under Section 50199.21. Tracts, which are partially rural, based on RHS boundary lines are marked with asterisks, as follows:

* A portion of the tract is or may be RHS eligible. (In some cases, all of the tract may be eligible.)

Sites in tracts marked with asterisks are to be considered rural only if RHS considers the sites to be rural.

“Eligible tracts” which are not marked with asterisks are eligible without regard to RHS eligibility. Because RHS’ population cut-off is lower than in Section 50199.21, many of these tracts are RHS ineligible.

In the following list, only a positive or negative list is given for each county; that is, either all eligible tracts are listed, or all ineligible tracts are listed. In some counties, only the ineligible (including partially ineligible) tracts are listed. In other counties, such as Los Angeles and San Mateo, which have a large number of tracts, but, by comparison, relatively few eligible tracts, only the eligible or partially eligible tracts are listed. All other tracts are ineligible.

In all cases, the census tract numbers in the lists are the census tract numbers at the time of the 1990 U.S. Census.

County	Ineligible Census Tracts	Eligible Census Tracts
Alameda	(The Alameda County portions of the San Francisco-Oakland Urbanized Area) All tracts not listed as eligible.	4301*, 4351.01*, 4362*, 4372*, 4511.01*, 4515.01*
Butte	(The Chico Urbanized Area) 1.01*, 1.02*,2.02*, 3*, 4*, 5.01*, 502*, 6.01*, 6.03*, 6.04*, 7*, 8*, 9*, 10*, 11*, 12*, 13*	All other tracts.
Contra Costa	(The Contra Costa County portions of the San Francisco-Oakland Urbanized Area; the Antioch-Pittsburg Urbanized Area) All tracts not listed as eligible.	3010, 3020.02*, 3020.03*, 3020.04*, 3031*, 3032*, 3040, 3060.02*, 3461.01*, 3461.02*, 3462.01*, 3462.02*, 3551.04*, 3551.06*, 3553.01*, 3553.02*, 3553.03*, 3553.04*
El Dorado	None	All tracts are eligible.
Fresno	(The Fresno Urbanized Area) 1, 2,3,4,5,6,7*, 8*, 9*, 10*, 11, 12.01*, 12.02*,13.01, 13.02, 14.03*, 14.04*, 14.05*, 14.06*, 15*, 18*, 19*, 20*, 24, 25.01, 25.02, 26.01, 26.02, 27.01, 27.02, 28, 29.01*, 29.02*, 30.01*, 30.02*, 31.01*, 31.02*, 32.01*, 32.02*, 33*, 34, 35, 36,37, 38.01* 38.03*, 38.04*, 38.05*, 38.06*, 42.05, 42.06, 42.07*, 42.09*, 42.10, 42.11, 42.12, 43.01*, 43.02*, 43.03*, 44.04, 44.05, 44.06, 44.07*, 45.03*, 45.04*, 45.05*, 45.06*, 46.01, 46.02*, 47.01, 47.03, 47.04, 48, 49*, 50*, 51, 52.01, 52.02*, 53.01, 53.02, 53.04, 53.05, 54.03, 54.04, 54.05, 54.06, 54.07, 54.08*, 55.03*, 55.04*, 55.05*, 55.06*, 55.07, 55.08*, 55.09*, 55.10, 55.11*, 55.12*, 55.13, 55.14, 55.15*, 56.02, 56.04*, 56.05, 56.06, 57.01, 57.02, 57.03, 57.04, 58.01*, 58.02, 58.03*, 59.04*	All other tracts.

County	Ineligible Census Tracts	Eligible Census Tracts
Kern	Bakersfield Urbanized Area: 1.01*,	All other tracts.

	1.02, 2, 3, 4*, 5.03*, 5.05, 5.06*, 5.07*, 6, 7*, 8, 9.02, 9.03, 9.04*, 9.06*, 9.07*, 9.08, 9.09*, 9.10*, 10, 12.01*, 12.02*, 13*, 14*, 15*, 16, 17, 18.01, 18.02, 19.01*, 19.02, 20, 21, 22, 23.01*, 23.02*, 24*, 25*, 26*, 27*, 28.04, 28.06, 28.07*, 28.08, 28.11, 28.12*, 28.13*, 28.14, 28.15, 28.16, 28.17, 28.18, 28.19, 28.20, 28.21, 29, 30*, 31.03*, 31.12, 31.13, 31.14*, 31.15, 31.21*, 31.22, 31.23, 31.24, 32.01*, 32.02*, 46.01, 46.02*, 48*, 49.01, 49.02, 50*, 51.03*, 51.04*, 62*	
Kings	Hanford Area: 6.01*, 6.02*, 7.01*, 7.02*, 8*, 9, 10.01*, 10.02*, 10.03*, 11*, 12*	All other tracts.
Los Angeles	(The Los Angeles County portions of the Los Angeles Urbanized Area; the Los Angeles County portion of the Oxnard-Ventura Urbanized Area; the Lancaster-Palmdale Urbanized Area) All tracts not listed as eligible.	5990, 5991*, 9001.01*, 9001.02, 9002.00*, 9003.00*, 9009.00*, 9010.04*, 9011.01*, 9011.02*, 9012.03, 9012.04, 9012.05*, 9012.07*
Madera	5.02*, 5.03*, 5.06*, 5.07*, 5.08*, 5.09*, 6.01*, 6.02, 7*, 8, 9*,	All tracts are eligible.
Marin	(The Marin County portions of the San Francisco-Oakland Urbanized Area) All tracts not listed as eligible.	1011*, 1012*, 1031*, 1032*, 1042*, 1043*, 1050*, 1060.01*, 1060.02*, 1070*, 1081*, 1082*, 1090*, 1101*, 1102*, 1121*, 1130, 1141*, 1142*, 1150*, 1182*, 1191*, 1192*, 1200*, 1211*, 1212*, 1261*, 1262*, 1270*, 1282*, 1310, 1321, 1322*, 1330
Merced	The Merced Urbanized Area: 9.01*, 9.02*, 10.02*, 10.03*, 10.04, 10.05*, 11.01, 11.02*, 12*, 13.01, 13.02, 14.01*, 14.02*, 15.01*, 15.02, 15.03, 16.01*, 16.02*, 17*, 18.01*, 18.02*,	All other tracts.

Monterey	(The Salinas Urbanized Area; the Seaside-Monterey Urbanized Area)	101.01*, 101.02*, 102.01*, 102.02*, 105.01*, 105.04*, 106.06*, 107.01, 107.02, 111.01*, 111.02*, 110*, 113.01*, 114*, 116*, 117*, 132*, 141.01*,
Napa	Napa County portion of the San Francisco-Oakland Urbanized Area; the Napa Urbanized Area: 2001, 2002.01, 2002.02, 2002.03, 2003*, 2004*, 2005.01, 2005.02, 2005.03, 2006*, 2007.01*, 2007.02*, 2007.03*, 2008.01*, 2008.02*, 2009*, 2011*, 2012*	All other tracts.
Orange	(The Orange County portions of the Los Angeles Urbanized Area) All tracts not listed as eligible.	14.03*, 14.04*, 15.01*, 15.03*, 15.04, 15.05*, 15.06*, 15.07, 117.09*, 117.17*, 218.14*, 218.15*, 320.23*, 422.01*, 422.03*, 422.05*, 422.06*, 423.05*, 423.10*, 423.11*, 423.12, 423.13, 423.23*, 423.24*, 423.38, 423.39, 626.21*, 758.09*, 758.10*, 878.01*, 878.02*, 878.03*, 878.05*, 878.06*, 879.01*, 879.02*, 881.01*, 881.04*, 881.05*, 881.06*, 1101.02*, 1100.06*, 1100.07*, 1100.08*, 1100.14, 1100.15*, 1101.01*, 1101.02*, 1101.06*, 1101.08, 1101.13*, 1101.17*, 1103.01*, 1103.04*,
Placer	The Placer County portions of the Sacramento Urbanized Area: 206.01*, 206.02*, 207.02, 207.03*, 207.04, 207.05*, 208, 209.01, 209.02*, 210.03*, 210.04*, 210.05*, 210.06, 210.07, 210.08, 211.01*, 211.02*, 211.03, 211.04, 211.05, 211.06, 211.07*, 211.08, 211.09*, 212*	All other tracts

County	Ineligible Census Tracts	Eligible Census Tracts
Sacramento	(The Sacramento County portions of the Sacramento Urbanized Area) All tracts not listed as eligible.	70.08*, 71*, 72.02*, 72.06*, 72.07*, 74.14*, 74.17, 74.18, 74.19, 74.20, 74.21, 74.25, 81.17, 81.19*, 81.22, 81.27*, 81.30*, 81.31*, 81.33, 81.34*, 81.39*, 81.44, 81.45*, 85.03*, 86*, 92*, 93.05*, 93.07, 93.08, 93.09, 93.10, 93.14, 93.16, 93.17, 93.18, 93.19, 93.20, 93.21, 93.22, 93.23, 94.01, 94.02, 94.03*, 94.04*, 94.05*, 94.06, 95.01*, 95.02*, 95.03*, 95.04*, 96.01*, 96.04*, 96.05*, 97, 98
San Bernardino	The San Bernardino County portions of the Los Angeles Urbanized Area; the San Bernardino County portions of the Riverside-San Bernardino Urbanized Area; the Hesperia-Apple Valley-Victorville Urbanized Area: All tracts not listed as eligible.	2.01*, 2.02, 3.01, 3.03*, 3.04*, 4.01*, 4.02*, 5*, 19*, 89.01, 91.04*, 91.05*, 91.06, 91.07, 92*, 93*, 94*, 97.07*, 97.08*, 97.12*, 100.04*, 100.17*, 100.24*, 103, 104.02*, 104.03*, 104.05*, 104.09*, 104.10*, 104.11*, 104.12*, 104.13*, 104.14*, 104.15*, 104.16*, 105, 106, 107, 108.01*, 108.02*, 109*, 110*, 111*, 112.01*, 112.02, 113*, 114*, 115*, 116, 117*, 118, 119*, 121*, 9401*

County	Ineligible Census Tracts	Eligible Census Tracts
San Diego	(The San Diego Urbanized Area) All tracts not listed as eligible.	100.04*, 122*, 134.01*, 155.01*, 155.02*, 166.07*, 166.08*, 168.02*, 168.09*, 169.01*, 169.02, 170.20*, 170.21*, 170.29*, 170.30*, 171.05*, 171.06*, 173.06*, 188.01, 188.02*, 188.03*, 189.03, 189.04, 189.05, 189.06, 190.01*, 191.03*, 191.05*, 191.06*, 191.07*, 192.07*, 192.08*, 207.05*, 207.06*, 207.08*, 208.01*, 208.07*, 208.08*, 209.02*,

		209.03, 209.04*, 210*, 211, 212.02, 212.03*, 212.14*, 213.02*, 213.03*, 213.04*,
San Francisco	All tracts	None
San Joaquin	(The Stockton Urbanized Area; the Lodi Urbanized Area; the Manteca Area; the Tracy area) All tracts not listed as eligible.	8*, 10*, 11.01*, 11.02*,13*, 14*, 15*, 16*, 17*, 18*, 20*, 21*, 22*, 24*, 25.01*, 28*, 29.01, 27.02, 31.06*, 31.09*, 31.10*, 31.11*, 32.03*, 32.05*, 32.08*, 32.10*, 32.15*, 33.11*, 34.03*, 34.08*, 35*, 36.01, 36.02, 37*, 38.01*, 38.02*, 38.03*, 39*, 40.01*, 41.02*, 44.02*, 46*, 47.01, 47.02, 48, 49.01, 49.02, 50.01*, 50.03*, 50.04*, 51.06*, 51.11*, 51.12*, 51.13*, 51.14*, 51.18*, 51.19*, 52.02*, 52.03*, 52.05*, 55*

County	**Ineligible Census Tracts**	**Eligible Census Tracts**
San Luis Obispo	(The San Luis Obispo Urbanized Area) 109.01*, 109.02, 110*, 111.01, 111.02, 111.03*, 112*, 113*, 115.01*, 115.02*, 116*	All other tracts.
San Mateo	(The San Mateo County portion of the San Francisco-Oakland Urbanized Area) All tracts not listed as eligible.	6113*, 6132*, 6134*, 6135.01*, 6135.02*, 6136*, 6137*, 6138
Santa Barbara	(The Santa Barbara Urbanized Area; the Santa Maria Urbanized Area; the Lompoc Urbanized Area) All tracts not listed as eligible.	1.01*, 1.02*, 1.03*, 2*, 4*, 5.01*, 5.02*, 7*, 13.01*, 13.02*, 14*, 15*, 16.01, 16.02, 17.01, 17.02, 18, 19.01, 19.03, 19.05, 19.06, 20.05*, 20.06*, 20.07*, 20.08, 20.09, 20.10, 20.11*, 20.12*, 20.13*, 21.01, 21.02, 21.03, 22.11*, 23.03, 23.04, 23.05, 23.06*, 24.02*, 25, 26.03*, 26.04*, 27.03*, 28.02*, 28.05, 28.06*, 28.07*, 28.08*, 28.09*, 29.02*, 29.03*, 29.04*, 29.07*, 29.10*, 29.11*, 29.12*, 30.01*, 30.02*

Santa Clara	(The San Jose Urbanized Area) All tracts not listed as eligible.	5127, 5125.03*, 5125.07*, 5125.06*, 5125.05*, 5126.02*, 5118, 5122*, 5038.02*, 5038.04*, 5039*, 5020.02*, 5020.01*, 5040.01*, 5041.01*, 5041.02*, 5028*, 5068.02*, 5021.01*, 5026.01*, 5026.02*, 5027.01*, 5027.02*, 5064.02*, 5065.01*, 5065.02, 5065.03, 5066.01*, 5066.03*, 5066.04*, 5066.05*, 5066.06*, 5067.01*, 5067.02,
Santa Clara (cont.)		5067.03, 5067.05*, 5077.01*, 5077.02, 5077.03*, 5078.05*, 5078.06*, 5078.07*, 5078.08*, 5080.01, 5080.02*, 5081.01*, 5081.02*, 5083.04*, 5043.08, 5042.01*, 5042.02*, 5099.01*, 5100.01*, 5100.02*, 5101*, 5102*, 5103, 5104*, 5105, 5117.01, 5117.02*, 5117.03*, 5068.01*, 5068.02*, 5069*, 5070.01, 5070.02*, 5071, 5072.03, 5072.05*, 5072.06, 5121*, 5123.04*, 5123.05*, 5123.06*, 5123.07*, 5123.08*, 5123.09*, 5124.01*, 5124.02*, 5066.04*, 5073.01*, 5073.02*, 5074.01, 5074.02*, 5075, 5076*, 5079.04*, 5032.04*, 5115*, 5116.04*, 5116.05*, 5116.06, 5116.07, 5022.02*, 5031.05*, 5033.12*, 5043.08*, 5046.01*, 5047*, 5063.01*, 5068.01*, 5068.02*, 5069*, 5092.01*, 5101*, 5119.09*, 5119.11*, 512

County	**Ineligible Census Tracts**	**Eligible Census Tracts**
Santa Cruz	(The Santa Cruz Urbanized Area; the Watsonville Urbanized Area) All tracts not listed as eligible.	1105.02*, 1106*, 1203.01, 1203.02, 1204*, 1205, 1206, 1207*, 1208*, 1209, 1210, 1212*, 1213, 1214.01, 1214.02, 1214.03, 1215, 1216, 1217, 1218, 1220.01, 1220.02*, 1220.03, 1221,

		1222.01*, 1222.02, 1222.03, 1223*, 1224*, 1233*
County	**Ineligible Census Tracts**	**Eligible Census Tracts**
Shasta	Redding Urbanized Area: 101, 102, 103, 104, 105, 106*, 107.01, 107.02, 108.01*, 108.02*, 109, 110*, 111, 112, 113, 114*, 115*, 116*, 117, 118	All other tracts.
Solano	(The Solano County portions of the San Francisco-Oakland Urbanized Area; the Fairfield Urbanized Area; the Vacaville/Vallejo Urbanized Area) All tracts not listed as eligible.	2533, 2534.01, 2534.02, 2535, 2522.01, 2522.02*, 2523.05*, 2523.07*, 2527.02*, 2527.03, 2527.04, 2527.06, 2527.07*, 2529.03*, 2529.04, 2520, 2521.02, 2521.04, 2521.05, 2521.06, 2521.07, 2521.08, 2505.01*, 2506.01*, 2511* 2522.01*, 2522.02*, 2523.05*, 2523.09*, 2529.07*, 2531.01*
Sonoma	(The Santa Rosa Urbanized Area; the Petaluma and Rohnert Park Areas) All tracts not listed as eligible.	1501, 1502.01, 1502.02, 1503.02, 1503.03, 1505, 1506.04*, 1507*, 1508*, 1509*, 1510*, 1511*, 1514.01, 1514.02, 1515.02*, 1515.03*, 1516*, 1526*, 1527.01*, 1527.02, 1528.01*, 1529.01*, 1530.02*, 1530.05*, 1532*, 1533, 1534.01*, 1534.03*, 1534.04*, 1535.01, 1535.02, 1536, 1537.01, 1537.02, 1537.03, 1537.04, 1537.05, 1537.06, 1538.01, 1538.02, 1538.03, 1539.01, 1539.02, 1539.03, 1540, 1541, 1542, 1543.01, 1543.02, 1524, 1531.01, 1531.02
Stanislaus	Modesto Urbanized Area; the Turlock Area. 4.02*, 4.03, 4.04, 5.03, 5.04, 5.05, 5.06, 6.01*, 6.02*, 8.01, 8.03, 8.05, 8.06, 8.07, 9.05, 9.06, 9.07, 9.08*, 9.09, 9.10, 9.11, 9.12, 10.01,10.02, 11, 12, 13, 14, 15*, 16.01, 16.03*, 16.04, 17, 18, 19, 20.03, 20.04, 21*, 22*, 23.01, 24,	All other tracts.

	36.02, 36.03*, 36.04*, 37*, 38.01, 38.02*, 38.03*, 39.04*, 39.05, 39.06*, 39.07, 39.08, 39.09	
County	**Ineligible Census Tracts**	**Eligible Census Tracts**
Sutter	The Sutter County portions of the Yuba City Urbanized Area: 501.01*, 501.02*, 502.01*, 502.02*, 503.01, 503.02, 504*, 505.01*, 505.03, 506.01, 506.03*, 506.04	All other tracts.
Tulare	Porterville Urbanized Area: 35*, 36.01*, 36.02*, 37, 38.01*, 38.02*, 39.01*, 39.02*, 40, 41.01*, 41.02 Visalia Urbanized Area : 10.03*, 10.04*, 10.05, 10.06*, 11, 12, 13.01*, 13.02*, 17.01, 17.03*, 17.04*, 18, 19.01, 19.02, 20.02, 20.03, 20.04, 20.06*, 20.07*, 20.08, 20.09 Tulare Urbanized Area: 22.01*, 22.02, 23.02, 23.03*, 23.04, 24*, 29.01, 29.03*, 29.04, 30.01, 30.02, 31*	All other tracts.
County	**Ineligible Census Tracts**	**Eligible Census Tracts**
Ventura	Ventura County portions of the Oxnard-Ventura Urbanized Area; the Simi Valley Urbanized Area. 12.01, 12.02, 13.01, 13.02*, 14.01, 14.02, 15.02, 15.03, 15.06, 15.07*, 16.01, 16.02, 17, 18, 19, 20, 21.02, 22, 23, 24, 25, 26, 27, 28, 29.01, 29.02, 30.01, 30.02, 31, 32.01, 32.02, 33, 34.01, 34.02, 35, 36.03, 36.04, 36.05, 36.07, 36.08, 37, 38, 39, 40, 41.01, 41.02, 42*, 43.02*, 44, 45.01, 45.03, 45.04, 47.02, 47.03, 47.04, 47.05, 47.06*, 49, 50.01, 50.02*, 52.01*, 52.02*, 52.03*, 53.03, 53.05, 53.06, 54.01, 54.03, 54.04, 55.02, 55.03, 55.04, 56*, 58, 59.01, 59.06, 59.07, 59.08, 59.09, 59.10, 59.11, 60*, 61, 62*, 63.01, 63.02, 64, 65, 66, 67, 68, 69, 70, 71, 72.01, 72.02, 74.02, 75.01, 75.03*, 75.04, 75.05, 75.06, 75.07, 75.08, 77,	All other tracts.

	78, 79.01, 79.03, 79.04, 80.01, 80.02, 80.04, 80.05, 81.01, 82.01, 82.02, 83.02, 83.03, 83.04, 83.05, 83.06, 84.01, 84.02, 85	
Yolo	Yolo County portions of the Sacramento Urbanized Area; the Davis Urbanized Area, Woodland 105.01*, 105.05*, 105.06*, 105.07, 105.08, 105.09, 105.10, 106.02, 106.05, 106.06, 106.07, 106. 8, 107.01, 107.03, 107.04, 108, 109.01, 109.02, 110.01, 110.02, 111.01, 111.02, 111.03, 112.02, 112.03, 112.04, 112.05, 112.06*	101.01, 101.02, 102.01, 102.03, 102.04, 103, 104, 113, 114, 115
County	**Ineligible Census Tracts**	**Eligible Census Tracts**
Yuba	(The Yuba County portions of the Yuba City Urbanized Area) 401*, 402*, 403, 404*, 405*, 406*, 407*,	All other tracts.