



**City of Gardena
Affordable Housing Guidelines
For Owner Occupied Units at
Normandie Place**

February 2024

**City of Gardena
1700 West 162nd Street
Gardena, CA 90247**

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I. OVERVIEW

These affordable housing guidelines (“Guidelines”) are specific to owner occupied affordable housing units developed by G3 Urban (“Developer”) within the developments commonly referred to as Normandie Place within the City of Gardena (“City”). This program is designed to assist Low Income Households purchase a home at an affordable price. The price the Participant pays for the home is below the fair market value of the home. The difference between the fair market value of the home at time of original purchase and the actual price paid by the original Participant is structured as a secondary loan, documented in a promissory note and deed of trust executed by the Participant and payable to the City if the home is sold within 30 years after the initial purchase.

These Guidelines are intended to augment the Agreement for the Provision of Affordable Housing and the Equity Sharing Agreement (and as each may have been revised, collectively, the “Agreements”) entered into by and between the City and Developer. Should there be a conflict between the Agreements and these Guidelines, the terms and conditions of the Agreements shall supersede these Guidelines.

II. DEFINITIONS

“**Affordable Housing Cost**” has the meaning provided in Section IV below.

“**City Manager**” includes the City Manager’s designee.

“**City’s Proportionate Share of Net Appreciation**” has the meaning provided in Section VII.F below.

“**Developer**” means the developer of a residential development that includes a Program Unit.

“**Gross Household Income**” means income as defined in California Code of Regulations Title 25 Housing and Community Development, Section 6914 of all (i) members of the Household over the age of eighteen (18), and (ii) persons who will hold title to a Program Unit.

“**Household**” means all persons who will occupy each Program Unit whether it be a single family, one person living alone, or any other group of related or unrelated persons who share living arrangements.

“Initial Subsidy” means the amount of the City’s secondary loan, and is equal to the difference between the fair market value of the home at the initial sale and the Program Unit Purchase Price.

“Low Income Household” means a Household earning up to 80% of area median income adjusted for family size.

“Net Appreciation” has the meaning provided in Section VII.E below.

“Participant” means the purchaser / owner of a Program Unit.

“Participant Loan” means the first trust deed loan a Participant obtains to finance the purchase a Program Unit.

“Permitted Transfer” has the meaning provided in Section VII.B below.

“Preferred Buyer” means Households in which at least one member lives or works in the City. A Household lives in the City if at least one member of the Household resides at a residential address in the City; has a nighttime residence physically located in the City that is not ordinarily used as a sleeping accommodation for human beings; or has a nighttime residence at a shelter physically located in the City. A Household works in the City if at least one member of the Household is employed in the City; volunteers in the City; or has received a bona fide offer to work in the City.

“Program Unit” means the housing unit(s) developed as part of a residential development that are to be sold by a Developer at Affordable Housing Cost and subject to an Equity Sharing Agreement.

“Program Unit Purchase Price” means the maximum sales price determined by Affordable Housing Cost for Low Income Households, which is also the amount the Participant pays to the Developer for the initial sale of the Program Unit.

“Term” means the earlier of: (i) the date a Participant Transfers the Program Unit; or (ii) the date that is thirty (30) years after the date that the Developer conveys the Program Unit to the Participant.

“Transfer” means any transfer of the Program Unit by the Participant that is not a Permitted Transfer.

III. BUYER ELIGIBILITY

A. Household Income

The Participant Household's gross annual income must be that of a Low Income Household earning up to 80% of area median income adjusted for family size.

B. Household Size

The bedroom size (number of bedrooms) in a home for which a Participant qualifies is dependent on the number of members in the household. Participants must meet the following occupancy standards (pursuant to California Health and Safety Code Section 50052.5(h)):

- i. Studio Unit: One person
- ii. One-bedroom unit: Two people
- iii. Two-bedroom unit: Three people
- iv. Three-bedroom unit: Four people

For the purpose of determining Household size, any person claimed as a Household member must have lived with the borrower for a minimum of one year prior to the purchase and must provide evidence they will live in the subject property. In addition, any non-borrowing person listed as having no income on the application, must be a dependent on the applicant's tax return for the previous year to be considered a household member.

C. Other

As of the date of Participant's purchase of a Program Unit from the Developer, the Participant shall not own any other residential property and shall not have owned any residential property for the prior three years.

Co-borrowers or co-signers who will not occupy the Program Unit as their primary residence are not permitted. A non-borrowing spouse is considered a co-borrower even if they will not be on the Participant Loan. Student dependents who live in another city / county at or near their college will not be counted as a household member. Business associates and/or individuals related to employees, officers, and/or owners of Developer are not eligible buyers.

IV. AFFORDABLE HOUSING COST

The Affordable Housing Cost shall have the meaning ascribed to it in California Health & Safety Code § 50052.5 and the implementing regulations set forth in California Code of

Regulations, Title 25, Section 6920. The Affordable Housing Cost shall be calculated with the following assumptions (as applicable):

- i. Benchmark down payment amounts will be used in the Affordable Housing Cost calculations. The benchmark down payments will be set at 5% of the affordable sales prices for the Program Units
- ii. The actual Home Owner Association (“HOA”) fees shall be used as the basis for maintenance and insurance costs
- iii. The utility expenses, inclusive of gas, electricity, water, sewer and trash expenses, should be set based on the allowances for new units published by the Housing Authority of the County of Los Angeles (or its successor, please see Exhibit “A” for utility allowances effective July 1, 2023)
- iv. The property taxes shall be based on the affordable sale price as that should be the actual tax valuation that will be applied to the units
- v. The interest rate shall be based on the lesser of: (a) the FNMA fixed interest rate 30 year fully amortizing mortgage for the quarter immediately preceding the unit’s sale or (b) the actual rate of the Participant’s financing. A 50-basis point premium will be added for mortgage insurance.
- vi. Low Income sale prices shall be calculated at 30% of 70% of the median income for the household size appropriate for the unit as defined by Health & Safety Code § 50052.5.

For a Participant whose Gross Household Income exceeds 70% of the area median income adjusted for family size, the Affordable Housing Cost shall be equal to 30% of the Participant’s Gross Household Income.

V. AFFORDABLE HOUSING FINANCING

A. First Trust Deed Loan

The Participant Loan must be a 30-year, fixed interest rate loan. Conventional, FHA, and VA financing are acceptable. First trust deed lenders are required to collect and manage an impound account for payment of taxes, assessments, and property insurance for the term of the first mortgage.

B. Subordination to Financing

City shall subordinate Participant's covenants and restrictions set forth in the Equity Sharing Agreement to the lien of Participant Loan deed of trust and to the lien of any deed or deeds of trust securing any refinancing obtained by a Participant that encumbers the Program Unit provided that the refinancing loan does not exceed the

principal balance of the purchase money loan being refinanced plus closing costs and loan costs payable by the Participant.

To process a request for City Manager approval of subordination, Participant shall deliver the following information to the City Manager at least fifteen (15) days prior to the anticipated closing of the Participant's new loan: (i) the name and address of the new lender, including the name and contact information of the lender's representative who will provide and/or sign the subordination agreement on behalf of the lender; (ii) a summary of the terms of the Participant's new loan, including principal, interest rate, term, payment schedule, and loan fees; (iii) the anticipated closing date of the Participant's new loan; and (iv) a copy of the proposed loan documents and any or other agreements between the Participant and the proposed lender.

The form of the subordination agreement used to effect any such subordination shall be prepared by the new lender, shall be reasonably satisfactory to City's counsel and the City Manager as to form, and shall provide to City (i) a right to cure a default on the Participant's new loan within the time period for curing such a default that is available to the Participant thereunder, (ii) an agreement that if prior to the foreclosure of the Participant's new loan by the holder thereof City takes title to the Program Unit and cures the default on the Participant's new loan the holder thereof will not exercise any right it may have to accelerate the loan by reason of the transfer of title to City, (iii) a right to negotiate with the holder of the Participant's new loan after City's receipt of a notice of default therefrom (provided that such right shall not limit the discretion of said holder or require the holder to delay any foreclosure or related proceedings with regard to its loan), and (iv) a right to purchase the Program Unit from the Participant at any time after a default on the Participant's new loan and prior to completion of any foreclosure proceeding or the Participant's conveyance of a deed in lieu of foreclosure, whichever first occurs. City hereby finds that an economically feasible alternative method of financing, refinancing, or assisting the Program Unit on substantially comparable terms and conditions as is provided for in this Agreement, but without subordination, is not reasonably available, and City further finds that if the written commitments referred to herein are incorporated into the subordination agreement City's investment in the event of default will be adequately protected.

C. Recommended Loan Structure

Developer and Participant are encouraged to consider utilizing affordable housing loan programs such as HomeReady by Fannie Mae, or Home Possible by Freddie Mac that commonly incorporate silent second / community second loan structures. It should be noted that these and similar programs may require first time home buyer education be completed by the Participant(s). The total purchase price / contract price / value of the

Program Unit may be established as the average sale price of other similar size market-rate units in the same development at the time of the Initial Sale. If there are no comparable units in the same development, the value of the Program Unit shall be the value determined by the appraisal conducted for the Participant Loan. The City will record a silent second loan in the amount of the difference between the market value without an affordability covenant and the Program Unit Purchase Price.

VI. IDENTIFICATION OF BUYERS FOR FIRST SALE

A. Identification of Potential Participants

Prior to the commencement of marketing of the Program Units, the Developer will work with the City to develop marketing materials, an application for acquiring a Program Unit and a disclosure statement containing a detailed explanation of the Equity Sharing Agreement.

Application packets will be made available online and such other locations as designated by the City. Initially, advertising for the sale of the Program Units will focus on Preferred Buyers; advertising on City of Gardena operated bulletin boards at City Hall and on the City website and through the publications of the local community groups. In addition, site signage will include information regarding the sale of the Program Units. Contact and application information will be included in the Program Unit advertisements. Advertising materials and notices shall clearly identify the initial deadline to apply, which shall be a minimum of 60 days after the commencement of marketing / advertising.

Developer shall require Households interested in acquiring Program Units to fill out applications to demonstrate they meet the low income requirements, understand the resale restrictions and have the down payment necessary for purchase. Application packets will be made available online by the Developer and provided to the City for distribution in the Community Development Department.

Households will be verified for eligibility using the Income Verification Form attached as Exhibit "B", or such other form acceptable to the City. The Developer will require each selected Participant to provide the necessary back-up information, such as pay stubs and tax returns, to confirm the information on the Verification Form. The Developer shall use its preferred lender to conduct the initial certification process. At the close of the sixty (60) day Preferred Buyer marketing period, the Developer shall create a list of the Preferred Buyer applicants.

Once an applicant has submitted a complete application and Income Verification Form and has been determined by Developer to be qualified as a Low Income Household, Developer will forward the file to City Manager for approval. Developer shall be responsible for the costs of City's final certification of each applicant. Developer shall submit the completed application to the City no later than forty-five (45) days prior to the estimated date of the close of escrow for the sale of the Program Unit. The Developer shall also complete and submit the Affidavit of Non-Collusion attached as Exhibit "C" concurrently with the submission of the file(s) to the City Manager.

Applications received during the initial advertising period from Preferred Buyers will be given preference over non-Preferred Buyers to the extent legally possible. If the Program Units are over-subscribed after the initial minimum 60-day advertising period, buyers of the Program Units shall be selected by lottery at City Hall as further described below.

If necessary, following the initial minimum Preferred Buyer marketing period, Developer may advertise the availability of the Program Units on a wider basis. Applications received after the initial advertising period will be considered based on completeness and timeliness of their applications without regard to whether they are Preferred or non-Preferred Applicants subsequent to the prospective Participants on the interest list as described below, if any.

B. Lottery Process.

All lottery participants shall be notified in writing of the date, time, and specific location of the lottery at least 10 calendar days in advance of the lottery. Notification shall be deemed to have been provided three business days after such notices are mailed. Prospective buyers shall be permitted, though not required to attend the lottery in person. City Staff shall conduct a random lottery for each group of Program Units with the same bedroom count to establish the order of an interest list, first for the Preferred Buyers, and then subsequently for the non-Preferred Buyers. All prospective buyers shall be assigned an order on the interest list. The City Clerk or the Clerk's designee shall attend the lottery and attest to the proceedings.

The City will review and as applicable approve applications from Households that qualifies as Low Income Households based on their order on the interest list. City shall notify Developer and prospective buyer of its approval or disapproval in writing within 10 business days from receipt of a complete application and Income Verification Form if Program Units are not oversubscribed, or within 10 business days of the lottery if Program Units are oversubscribed. Failure of the City to approve or disapprove within that period shall not be deemed an approval. If the City requests additional information

about a Household's application, the City's 10 business day turnaround shall be extended by the number of days required to provide the additional information to the City. To the extent a prospective buyer is not approved, the City shall have the right to request and consider additional information from the prospective buyer, or at the City's sole discretion, elect to move the next prospective buyer on the interest list. To the extent an approved prospective buyer fails to close escrow on the Program Unit, the City shall consider the next prospective buyer on the interest list.

VII. SALE AND RESALE

A. Initial Sale

The Developer shall sell a Program Unit to a Low Income Household at an Affordable Housing Cost. In addition, Developer shall give preference in any such sale to households on any list(s) of eligible households that City may from time to time provide to Developer and Developer shall fully cooperate with City in connection therewith; provided, however, that Developer shall not be required to provide such a preference if doing so would violate any applicable provision of federal, state, or local law.

B. Permitted Transfers

The following transfers of title are permitted: a transfer by gift, devise, or inheritance to any Participant's spouse, children, grandchildren, or other family member or the taking of title by the surviving joint tenant that is a Participant's spouse; (ii) transfer of title to a spouse as part of a divorce or dissolution proceedings; and (iii) acquisition of title by a spouse in conjunction with marriage. In the case of a Permitted Transfer, the Equity Sharing Agreement shall remain in full force and effect and the transferee under the Permitted Transfer shall be considered the Participant for purposes of the Equity Sharing Agreement.

Transfer shall be deemed completed and effectuated upon the date of recordation of the title transfer documents with the County Recorder for the County of Los Angeles.

C. Notice of Intended Transfer

In the event the Participant intends to Transfer the Program Unit, the Participant shall promptly notify the City in writing of such intent. The written notice shall be given to the City at least sixty (60) days prior to the actual date of the proposed Transfer or vacation of the Program Unit. The notice from the Participant shall be hand-delivered or sent by certified mail, return receipt requested. If the Participant intends to Transfer the Program Unit, the Participant shall provide a copy of the proposed purchase and sale agreement

for the Transfer of the Program Unit. The Participant shall also provide to the City sufficient back-up documentation to evidence the proposed deductions to be made from the Program Unit sale proceeds. The Participant shall certify that all information and materials provided to the City are true and complete and does not omit any material information regarding the proposed Transfer.

D. Equity Sharing

Through the Agreement for the Provision of Affordable Housing, the City has provided valuable consideration which has allowed the Participant to purchase the Program Unit at the Affordable Sales Price. The Participant agrees to share the appreciation in the value of the Program Unit with the City if there is a Transfer of the Program Unit during the Term. If there is a Transfer of the Program Unit by the Participant during the Term the Participant shall pay to City the Initial Subsidy and the City's Proportionate Share of Net Appreciation.

E. Net Appreciation

Net Appreciation shall constitute the funds remaining from the sales proceeds from the Transfer of the Program Unit after subtracting the deductions below ("Net Appreciation"). If the City determines that the Transfer is not the result of an arm's length transaction, the City may order an appraisal of the Program Unit, in which case the City may use the appraised value of the Program Unit to calculate the Net Appreciation.

The following items may be deducted from sales proceeds from the Transfer of the Program Unit. After making all of the deductions below, the amount of sale proceeds remaining shall constitute the Net Appreciation that will be shared between the Participant and the City. The approved deductions are:

- i. The amount of the repayment of the Participant Loan;
- ii. The closing and escrow costs directly related to the Transfer and actually paid by Participant;
- iii. The reasonable brokerage commissions paid in connection with the Transfer to the duly licensed real estate brokers pursuant to written brokerage agreements with the Participant and actually paid by the Participant;
- iv. To the extent not previously recovered by the Participant, (a) any amounts actually paid by the Participant for a down payment and closing costs for the purchase of the Program Unit from the Developer and (b) the costs of capital improvements made to the Program Unit from Participant funds that are not included in the outstanding balance of the Participant Loan to Participant (collectively "Participant's Investment"); and
- v. Repayment of the Initial Subsidy. If there are insufficient sales proceeds from the sale of the Program Unit to repay the Participant's Investment in the Program Unit

and the Initial Subsidy, then the sales proceeds shall first be used to repay the Participant's Investment in the Program Unit with the balance of the sales proceeds used to repay the Initial Subsidy. Following the repayment of the Participant's Investment, if there are insufficient sales proceeds to fully repay the Initial Subsidy, the remaining unpaid balance of the Initial Subsidy shall be forgiven by the City.

F. City's Proportionate Share of Net Appreciation.

The Net Appreciation shall be shared between the Participant and the City. The City's Proportionate Share of Net Appreciation shall be equal to the proportion of (i) the amount of the Initial Subsidy bears to (ii) the fair market value of the Program Unit at the Initial Sale. The fair market value of the Program Unit shall be the average sale price of other similar size market-rate units in the same development at the time of the Initial Sale. If there are no comparable units in the same development, the fair market value of the Program Unit shall be the value determined by the appraisal conducted for the Participant Loan.

Net Appreciation shall be divided between the Borrower and the City as follows: (i) the City shall receive an amount equal to the City's Proportionate Share of the Net Appreciation and (ii) the balance of the Net Appreciation shall be allocated to Borrower.

Example:

- The initial fair market value of the Program Unit when acquired by the Participant is \$500,000.
- The Program Unit Purchase Price is \$150,000.
- The Initial Subsidy amount is \$350,000.
- The City's share of any Net Appreciation is equal to 70% (the proportion which the initial principal amount of the Initial Subsidy bears to the fair market value of the Program Unit at the Initial Sale).
 - Calculation of City share:
 - $\$350,000 \div \$500,000 = 70\%$
- If the total Net Appreciation is \$100,000, the Participant will receive \$30,000 and the City will receive \$70,000.

VIII. ONGOING REQUIREMENTS

A. Occupancy Requirement

The Participant shall occupy the Program Unit as the Participant's principal place of residence continuously during the entire twelve months of each calendar year.

In no event shall the Program Unit be leased or rented. If a Participant rents a Program Unit in violation of the provisions of the Agreements, the City may institute any appropriate legal actions to ensure compliance with this Agreement.

B. Compliance Verification

The City shall have the continuing right to verify that the restrictions, limitations, and requirements of these Guidelines are being complied with. In connection therewith, upon City's request, which request shall not be made more than once per year, the Participant shall promptly complete, sign and return a questionnaire delivered by City and shall deliver such written information as City may reasonably request. Additionally, City may contact occupants of the Program Unit at reasonable times during the day and ask them questions regarding Participant (if Participant is still the fee owner) or any Participant's compliance with these Guidelines.

C. Changes in Income After Purchase Permitted

A Participant may continue to own and occupy the Program Unit if their income changes after the date of their initial purchase / occupancy of such unit and such Participant no longer qualifies as a Low Income Household (subject to Section VII(B) above).

D. Liens

Participants shall not allow others to encumber the Program Unit, including but not limited to allowing deeds of trust, mortgages, other liens to secure the payment of money, easements, or other restrictions, without written approval of the City

IX. GENERAL

A. The City's Role

The City is the program administrator and secondary lender. As the program administrator, the City is responsible for oversight and compliance of the affordable resale restrictions. The City's responsibilities include but are not limited to:

- i. Calculating the sales price for Program Units at the time of the first sale and for each subsequent sale to a Low Income Household
- ii. Ensuring that upon resale, the property is in a "move-in" ready condition
- iii. Verifying eligibility of Participants in the program
- iv. Annual occupancy monitoring and verification

The City is a lien holder on each Program Unit and does not have an ownership interest in the Program Units.

The City reserves the right to request any supporting documentation or information as needed. The City at its sole and reasonable discretion may make exceptions to these Guidelines so long such exception is in conformance with the Agreements.

Title 18, Section 1001 of the United States Code, states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department or agency of the United States. It is very important to provide complete and accurate information as requested by the City.

The City may hire a third party to perform its roles as Administrator. The Developer shall reimburse the City for such costs associated with the initial sale of a Program Unit, and the selling Participant shall reimburse the City for such costs associated each subsequent sale of a Program Unit during the Term.

B. Remedies of City

If there is any default by Participant under the Equity Sharing Agreement which is not cured within thirty (30) days after written notice by City (an "Event of Default"), City shall have such other relief as may be available at law or in equity, including, without limitation, the right to enjoin any violation of the Agreements and the right to obtain specific performance of the Agreements.

EXHIBIT "A"
Los Angeles County Utility Allowance Schedule
(As of 7/1/2023)

LACDA Utility Allowance Schedule

(Effective 07-01-2023)

Los Angeles County		Single Family Unit Size									Multi-Family Unit Size									SRO Single Room Occupancy
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	
Heating	Gas	12	16	22	28	38	45	54	63	73	9	13	16	20	27	31	37	42	47	9
	Electric	21	30	40	51	69	81	90	102	114	16	22	29	37	50	58	65	74	86	15
Cooking	Gas	5	7	9	11	14	16	18	20	24	5	7	9	11	14	16	18	20	24	4
	Electric	8	11	15	18	23	26	29	33	36	8	11	15	18	23	26	29	33	36	6
Water	Gas	8	11	15	18	25	31	36	42	47	8	11	15	18	25	31	36	42	47	6
	Electric	16	22	29	35	44	51	58	65	73	16	22	29	35	44	51	58	65	73	12
Other: Basic Electric		27	33	40	48	55	66	75	85	96	27	33	40	48	55	66	75	85	96	20
Water		27	36	45	63	81	99	117	135	153	73	82	91	109	127	145	163	181	199	55
Trash		42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	32
Air Conditioning		14	19	25	32	43	51	58	66	74	10	15	19	24	32	38	44	50	56	7
Appliances		Range: 7									Refrigerator: 6									

Los Angeles County		Single Family Unit Size									Multi-Family Unit Size									SRO Single Room Occupancy
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	8 BR	
Heating	Electric	18	25	33	42	57	67	77	88	99	14	20	25	32	42	50	58	66	74	13
Cooking	Electric	7	10	13	16	20	23	26	29	31	7	10	13	16	20	23	26	29	31	5
Water Heating	Electric	14	19	25	31	39	45	51	57	64	14	19	25	31	39	45	51	57	64	10
Other: Basic Electric		27	33	40	48	56	66	76	86	97	27	33	40	48	56	66	76	86	97	20
Water		27	36	45	63	81	99	117	135	153	73	82	91	109	127	145	163	181	199	55
Trash		42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	42	32
Air Conditioning		13	20	26	34	44	52	60	68	76	10	15	20	25	34	39	45	51	57	7
Appliances		Range: 7									Refrigerator: 6									

HUD regulations mandate that utility allowance amounts be determined based on the lower of the unit size or family's voucher size for Tenant based voucher participants. For Certificate based participants, the utility allowance is based on the unit size only.

EXHIBIT "B"
Income Verification Form

City of Gardena
Income Verification Form
For Owner Occupied Units

Effective 1/2024

Head of Household (Print Name): _____

Address: _____

Home Phone:(_____) Cell Phone:(_____)

Date of Birth: _____ Social Security #: _____

HOUSEHOLD COMPOSITION

Name	Sex	Age	Dependent (Yes / No)	Social Security #

Please list any additional household members on a separate sheet of paper.

ANNUAL GROSS INCOME*

PART 1 – ANNUAL GROSS EARNED INCOME	Head of Household	Other Household Members	Total
1. Gross amount, before payroll deductions of wages, salaries, overtime pay, commissions, fees, tips and bonuses			
2. Net income from businesses			
3. Social Security, annuities, insurance policies, pension / retirement funds, disability or death benefits received periodically			
4. Payment in lieu of earnings, such as unemployment and disability compensation, worker’s compensation and severance pay			
5. Public assistance, welfare payments			
6. Alimony, child support, other periodic allowances			
7. Regular pay, special pay and allowances of members of Armed Forces			
8. Other (Please describe)			
SUB-TOTAL: ANNUAL GROSS EARNED INCOME			

PART 2 – ANNUAL GROSS INVESTMENT INCOME	Head of Household	Other Household Members	Total
1. Income from real property (e.g., rental property)			
2. Interest received on bank and savings accounts			
3. Dividends and other payments from stocks and bonds			
4. Other (please describe)			
SUB-TOTAL: ANNUAL GROSS INVESTMENT INCOME			

**Note: For intermittent and/or sporadic income sources, please provide the annual average of income over the last two tax years.*

The following items are not considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payments such as inheritances, insurance payments, capital gains and settlement for personal or property losses; educational scholarships paid directly to the student of educational institution; special pay to a serviceperson head of family away from home and under hostile fire; relocation payments under federal, state, or local law; foster child care payments; value of coupon allotments for purpose of food under the Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

ASSETS**

TYPES OF ASSETS	Head of Household	Does this asset generate income?***	Other Household Members	Does this asset generate income?***	Total
1. Equity in Real Property (other than household's full-time residence)					
2. Bank & Savings Accounts					
3. Stocks & Bonds					
4. Vehicles (and loan balance if any)					
5. Other (please describe)					
SUB-TOTAL: TOTAL ASSET VALUE					

***Note: If the total value of household assets exceeds \$5,000, income shall include the greater of (i) the actual amount of income, if any, derived from all the household assets, or (ii) 10 percent of the value of all such assets.*

Necessary items used for personal use are excluded from household assets. Collections of items for hobby, investment or business purposed must be included in household assets.

****If yes, specify in Part 2 – Investment Income above. If no, write "N/A"*

CALCULATION OF HOUSEHOLD'S ANNUAL GROSS INCOME

Does the Household's TOTAT ASSET VALUE exceed \$5,000? Yes / No

If yes, skip to 2, below.

1. If no, the Household's ANNUAL GROSS INCOME =
ANNUAL GROSS EARNED INCOME + ANNUAL GROSS INVESTMENT INCOME

\$ _____ + \$ _____ = \$ _____
ANNUAL GROSS INCOME

2. If yes, calculate 10% x TOTAL ASSET VALUE = \$ _____

Circle the greater of:

(i) Household's ANNUAL GROSS INVESTMENT INCOME = \$ _____

(ii) 10% of Household's TOTAL ASSET VALUE = \$ _____

The Household's ANNUAL GROSS INCOME = the number circled above

[GREATER OF (10% TOTAL ASSET VALUE)
OR (ANNUAL GROSS INVESTMENT INCOME)] + ANNUAL GROSS
EARNED INCOME

\$ _____ + \$ _____ = \$ _____
ANNUAL GROSS INCOME

DOCUMENTATION

Attached are true copies of the following:

- | | |
|--|--|
| <input type="checkbox"/> Paycheck stubs from two most recent pay periods | <input type="checkbox"/> Bank / savings account verification |
| <input type="checkbox"/> Employment verification | <input type="checkbox"/> Investment account verification |
| <input type="checkbox"/> Income tax return | <input type="checkbox"/> Self-employment verification |
| <input type="checkbox"/> Social Security verification | <input type="checkbox"/> Unemployment verification |
| <input type="checkbox"/> Alimony / child support verification | <input type="checkbox"/> Welfare verification |
| <input type="checkbox"/> Other (Describe: _____) | <input type="checkbox"/> Disability verification |

EXHIBIT "C"
Affidavit of Non-Collusion

City of Gardena
Affidavit of Non-Collusion
For Owner Occupied Units

Effective 4/2023

The undersigned, being duly sworn on oath, that says that prospective buyers identified by _____, are in no way or manner affiliated with or related to any member, representative, or agent of the firm, company, corporation or partnership represented by him/her.

He/She further says that no other person or persons, firms, or corporation has, have or will receive directly or indirectly, any rebate, fee gift, commission or thing of value on account of the identification of the prospective buyers.

OATH AND AFFIRMATION

I HEREBY AFFIRM UNDER THE PENALTIES FOR PERJURY THAT THE FACTS AND INFORMATION CONTAINED IN THE FOREGOING ARE TRUE AND CORRECT.

Dated this ___ day of _____, _____

(Name of Organization)

(Title of Person Signing)

(Signature)

ACKNOWLEDGEMENT

STATE OF _____)

) ss

COUNTY OF _____)

Before me, a Notary Public, personally appeared the above named and swore that the statements contained in the foregoing document are true and correct.

Subscribed and sworn to me this ___ day of _____, _____

Notary Public Signature

My Commission Expires: _____