



**TOWN OF TRUCKEE  
TRUCKEE HOME ACCESS PROGRAM (THAP) GUIDELINES**

**APPROVED BY: Truckee Town Council**

**September 10, 2024 June 10, 2025**

# **Truckee Home Access Program Guidelines**

## **Table of Contents**

### **SECTION 1 – GENERAL PROGRAM INFORMATION**

- 1.1 Background**
- 1.2 Non-discrimination Policy**
- 1.3 Program Outreach and Marketing**

### **SECTION 2 – PROGRAM DEFINITIONS**

### **SECTION 3 – PROGRAM REQUIREMENTS**

- 3.1 General Program Requirements**
- 3.2 Individual Buyers**
- 3.3 THAP Sellers**
- 3.4 Local Businesses**
- 3.5 Special Requirements**

### **SECTION 4 – APPLICATION PROCESS**

- 4.1 Individual Buyers**
- 4.2 THAP Sellers**
- 4.3 Local Businesses**

### **SECTION 5 – PURCHASE PROCESS**

- 5.1 Realtor Representation**
- 5.2 Title Requirements**
- 5.3 Purchase/Sales Contract**
- 5.4 Fair Market Value Appraisal**
- 5.5 Submission of First Loan Package**

### **SECTION 6 – SELLING A THAP UNIT**

### **SECTION 7 – RENTING A THAP UNIT**

- 7.1 Rental Requirements**
- 7.2 Rental Process**
- 7.3 Short-Term Renting**

## SECTION 1 - GENERAL PROGRAM INFORMATION

### 1.1 Background

The Town of Truckee Home Access Program (THAP) preserves, produces, and protects homes to create places for people who work full-time in the Truckee region to live locally. THAP pays buyers, sellers, and local businesses to reserve existing homes for income qualified local workers using a fifty-five-year deed restriction.

THAP's intent is to create a secondary housing market in Truckee that is affordable for income-qualified local workers. Therefore, funding is only available to the initial buyer or seller who enters into the deed restriction at point of sale. Subsequent Buyers of a THAP Unit must meet program qualifications, as specified in the deed restriction, and also sign a 55-year deed restriction.

- **Individual Buyers** can apply for funding up to \$150,000 for a maximum \$937,500 home purchase price.
- **THAP Sellers** can sell at a reduced price and apply for funding to make up the difference between the reduced price and the appraised value.
- **Local Businesses** can apply for funding to rent or sell homes to local workers, including their own.

THAP buyers and renters must work locally, not exceed household income limits, and live in the homes as their primary residence.

The information provided in this document describes guidelines for buyers, sellers, and local businesses to apply for and participate in THAP.

The Town, at its discretion, may update funding amounts, maximum household income guidelines, initial purchase prices, and rent rates from time to time. The Town will review and update these guidelines from time to time to reflect changes in the market and better meet the community's needs.

The Town of Truckee will contract with an independent organization to administer the day-to-day operation of the Program.

### 1.2 Non-discrimination Policy

The Program will be implemented consistent with the Town's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital

status, familial status (children), physical or mental disability, nation origin, ancestry, or any other arbitrary cause.

### **1.3 Program Outreaching and Marketing**

The Program Administrator will coordinate with the Town, local Realtor groups, lenders, and housing groups to share and implement a marketing plan to provide broad awareness and equitable access to THAP. Program information will also be shared on the Town's THAP website and the Town's social media channels and made available at request in hard copy at Town Hall. All marketing and educational materials and applications will include the Fair Housing logo and marketing materials will be translated and available in Spanish. The Program Administrator and the Town will periodically re-market the program.

## **SECTION 2 - PROGRAM DEFINITIONS**

A. Applicant - Buyer(s)/Renter/Tenants(s): The primary individual(s) applying for the Program and all persons 18 years and older who will reside in the unit.

B. Area Median Income (AMI): The median income for Nevada County as defined by the California Department of Housing and Community Development (HCD) and adjusted for household size are published annually. The amounts are further adjusted and calculated by the Town and are available on the Town's THAP website.

C. Individual Buyer: Approved household purchasing as their primary residence an existing home that does not have a current deed restriction prior to the purchase and who enters into a Deed Restriction at time of purchase in exchange for THAP funding

D. Funding Amount: The payment an Individual Buyer, THAP Seller, or Local Business receives from the Town in exchange for a 55-year Deed Restriction to reserve the home for people who work in the Truckee Region and earn below the program's maximum household income.

E. Deed Restriction: The binding agreement signed by each Owner of a THAP unit. The Deed Restriction places permanent restrictions on the THAP unit, or 55-year term based on agreed uses, including owner occupancy and income.

F. Fair Market Value: The value of a unit based upon the determination of an authorized appraisal report acceptable to the Town.

G. Local Business: A corporation, LLC, sole proprietorship, governmental entity, mutual benefit corporation or non-profit business that has a minimum of three (3) employees working at a physical office location, within the Tahoe Truckee Unified School District boundary.

H. Local Worker: A person who is currently employed 30 or more hours per week, meets full-time employment equivalency with employer verification, or has a written offer for full-time employment at an employment site within the Tahoe Truckee Unified School District geographical boundary. In the case of a written offer, the Program Administrator will verify employment following the employment start date. If the employment site is the Applicant's home, the work must primarily serve clients within the Tahoe Truckee Unified School District geographical boundary.

I. Non-Qualified Owner: Persons who do not meet the definition of Qualified Owner including persons who originally qualified as a Qualified Owner but whose circumstances change and who no longer meet the definition of Qualified Owner.

J. Owners: Persons, or Local Businesses who acquires an ownership interest in a property, subject to the conditions contained herein, and may include either a Qualified Owner or Non-Qualified Owner, as the context requires.

K. Program Administrator: The Town of Truckee will contract with an independent organization to administer the day-to-day operation of the Program.

L. Program Application: The THAP Program application with required supporting documents submitted by Applicants to determine program eligibility.

M. Qualified Buyer Household: A household in which at least one member is a Local Worker and whose total household income does not exceed 245% AMI.

N. Qualified Owner: The Owner of the residence who received THAP approval from Town of Truckee and is compliant with the Deed Restriction.

O. Qualified Tenant Household: In a household of one, the tenant must be a Local Worker. If the household has more than one tenant, at least 50% of the people over 18 who are not full-time students in the household must be Local Workers. The household income must not be above 245% AMI.

P. Subsequent Buyer: The approved purchaser of a THAP Unit who purchases the Unit after the Unit has already been Deed Restricted. Subsequent Buyer may be either a Qualified Owner or a Local Business.

Q. Term: 55 years

R. THAP Seller: The owner of a non-THAP housing unit who deed restricts the unit through THAP at time of sale and receives THAP funding.

S. Unit: Housing unit that is priced to be affordable to households making no more than 245% AMI.

### SECTION 3 – PROGRAM REQUIREMENTS

This chart summarizes funding amounts, applicant, and participant requirements

	<b>Individual Home Buyers</b>	<b>Sellers</b>	<b>Local Businesses</b>
<b>Funding Amount</b>	16% of appraised value/sales price	16% of appraised value	16% of appraised value/sales price
<b>Maximum Initial Purchase/Sales Price</b>	\$937,500 purchase price	\$787,500 sales price	Determined on a case by case basis.
<b>Local Employment</b>	Buyer must have at least one household member that is a Local Worker	Buyer must have at least one household member that is a Local Worker	Occupant must be a Qualified Tenant Household
<b>Occupancy</b>	Home must be occupant's principal residence 10 out of 12 months per year	Home must be occupant's principal residence 10 out of 12 months per year	Home must be occupant's principal residence 10 out of 12 months per year
<b>Mortgage</b>	Buyer must qualify for a first mortgage and submit a lender pre-approval letter	Buyer must qualify for a first mortgage and submit a lender pre-approval letter	As applicable, Buyer must qualify for a first mortgage and submit a lender pre-approval letter
<b>Income Limits</b>	Buyer must meet 245%AMI requirement	Buyer must meet 245% AMI requirement	Occupants must meet 245% AMI requirement
<b>Asset Limits</b>	Buyer's liquid assets must not exceed 30% of sales price of home	Buyer's liquid assets must not exceed 30% of sales price of home	N/A

Table 1: THAP Requirements Summary

### 3.1 General Program Requirements

- A. Location: THAP funds may only be used on properties within the Town limits of Truckee and may but are not required to be used towards a down payment.
- B. Occupancy:
- a. The home must be occupied fulltime by a Qualified Owner or by a Qualified Tenant.
  - b. All Qualified Owner household members must occupy the THAP home as their principal residence a minimum of 10 out of 12 months out of a calendar year. Under specific conditions specified in section 7, the Town may grant approval for a homeowner to rent their unit to a Qualified Tenant Household.
  - c. If the property purchased using THAP funds is a duplex or multiplex, the Qualified Owner household shall either occupy one unit as their principal residence and lease the remaining Unit(s) to a Qualified Tenant Household(s) under the conditions specified in Section 7, or shall lease all units to Qualified Tenant Households under the conditions specified in Section 7.
  - d. Annual income limits adjusted by household size are based on the California Department of Housing and Community Development (HCD) Area Median Income (AMI) for Nevada County. Current income limits are available on the Town's website.
- C. Home Type: THAP funds may be used to purchase single-family residences, multi-family residences, condominiums, townhomes, duplexes, residences with accessory dwelling units (ADU) and/or junior accessory dwelling units (JADU), and mobile homes (if the land is also purchased).
- D. Home Occupation Businesses: THAP Units are allowed to be used for permitted home occupation businesses as outlined in the Town of Truckee Development Code Section 18.58.120.
- E. Program Layering: THAP will consider applications that combine THAP funds with other sources of housing assistance funds, and the THAP Deed of Trust (but not the Deed Restriction) may be subordinate to the Deed of the Trust of another housing assistance program if required by that program and if approved by Town Staff. However, THAP cannot be combined with any housing assistance funding that requires equivalent deed restrictions (e.g. 55-year term or renewal upon sale) that restrict ownership and/or occupancy based on a local employment or income requirement. Buyers who use additional housing assistance funding sources must follow the restrictions and requirements of THAP and the additional housing assistance funding source(s).

- F. Annual Monitoring: The Town will coordinate with Owners and Renters once a year to ensure Program Guidelines are adhered to. For Owner-occupied properties, the Town will verify occupancy. For tenant-occupied properties, the Town will verify rent rates and tenant/ sub-tenant eligibility. The Town will work with the Owner on a remedy if participants are found to be in default.
- G. Eligible Use of Funds:
- a. Non-arm's length transactions are prohibited, including without limitation a purchase of a property owned by an applicant's spouse, family members, or a business in which the applicant has any ownership interest, with the exception of a landlord to a tenant. An example of a non-arm's length transaction is the purchase of a property owned by the applicant's family members.
  - b. THAP funds are not allowed to be used for the purchase of any properties with known code violations, ~~or~~ open code violation cases, or unpermitted construction.
- H. Funding/Payments:
- a. THAP Funding Amount for Individual Buyers and Local Business buyers is 16% of the final purchase price or appraised value, whichever is less.
  - b. Payments will be made upon signing and recording the Deed Restriction.
  - c. When a THAP Unit is resold, the Subsequent Buyer will not receive THAP funds.

Buyer Example	Seller Example
Initial Purchase Price: \$937,500	Appraised Value: \$937,500
THAP Payment to Buyer Used as Down Payment Assistance: \$150,000	Sales Price: \$787,500
	THAP Payment to Seller: \$150,000
Buyer's 4% Down: \$37,500	Buyer's 20%: \$157,500
Buyer's First Mortgage: \$750,000	Buyer's First Mortgage: \$630,000

Table 2: Funding Scenarios – Buyers and Sellers

### 3.2 Individual Buyers

Individual Home Buyer program applicants must be Qualified Buyer Households and meet specific minimum THAP eligibility requirements.

- A. Purchase Price:
- a. Initial Buyer's purchase price cannot exceed \$937,500.



- b. Although there is not a resale price limit/appreciation cap at time of resale, [applicants should anticipate that](#) a THAP Unit may sell at less than market value because the [Qualified Buyer](#) must meet income and employment qualifications and agree to sign the deed restriction without the benefit of receiving THAP funds.

**B. Employment Status:**

- a. A household must have at least one adult member who is a Local Worker
- b. A paystub from the qualifying employer will be required prior to close of escrow to verify employment.
- c. Continuous Local Worker status will not be required after close of escrow.

**C. Household Income and Size:**

- a. Applicant must not exceed THAP's income eligibility limits. Annual gross household income, including the income of all household members 18 years of age and older, must not exceed 245% AMI.
- b. If property purchased through the program is a duplex or multiplex, projected rental income is included in the household income determination.
- c. Household Size Determination:
  - i. The size of the household is determined by counting together every person who intends to live in the unit, regardless of age or dependency status. All spouses or registered domestic partners must be included in the household and must appear on the application.
  - ii. In order to count household members who are under 18 years of age in the composition of the household, they must be the legal dependent of an adult household member or an adult household member must have at least partial (50%) custody of the child/children, except in the case of emancipated minors, as claimed on the most recent federal income tax return.
  - iii. Divorced or separated Applicants who have joint custody of their children should include the children in their household count if they have at least 50% custody of the children. Applicants who do not have custody should not include the children in their household count.
  - iv. Temporarily absent household members who plan to live in the unit upon return must appear on the application for the unit and provide all supporting documents. Such household members include but are not limited to household members serving temporarily in the armed forces, those who are temporarily institutionalized, or those who are enrolled full-time at a college or university.

- v. All members of the Applicant's household that are 18 years or older must submit supporting documents. Applicants must ensure the completeness and accuracy of their application before submission. Applications with known false, misleading or inaccurate information will be disqualified from consideration. Changes to applicant household members after submission are not allowed.
- d. Household income and size is considered at application only.

D. Asset Limits:

- a. Liquid assets (including downpayment and deposits) must not exceed 30% of the sales price of the home the Applicant intends to purchase.
- b. Applicant must meet asset limit at time of Application through close of escrow.
- c. Liquid Asset Inclusions: When calculating an Applicant's assets, all liquid assets are to be considered, including, but not limited to, the following: savings accounts, checking accounts, certificates of deposit, the total balance of any joint accounts, money market or mutual fund accounts, accounts held in trust for the Applicant (amount accessible), stocks or bonds, equity in real estate currently owned (current market value less the original price of the home, with current market value determined by broker price option or comparative market analysis), one-time lump sum gifts, cash on hand, amount used or borrowed (from a life insurance policy, IRA or retirement accounts) and other investments held by any household member of the Applicant's household age 18 or older.
- d. Liquid Asset Exclusions: The cash surrender value of life insurance policy, the value of an IRA account, the value of retirement accounts (including but not limited to 401(k) and 403(b) accounts), the value of annuities not being withdrawn, and the value of a special needs trust or the value of a 529 college savings plan may be excluded from an applicant's liquid assets.
- e. Withdrawal of Retirement Accounts: Withdrawal of retirement account dollars towards down payment and closing costs is allowed. However, it is recommended that the Applicant consider all of his/her/their options before using retirement accounts and consult with a tax advisor to fully understand the potential tax consequences of such withdrawal in addition to the applicable early withdrawal penalty, if any. Any funds withdrawn from retirement accounts shall be counted towards the liquid assets inclusions.

E. Mortgage Readiness:

- a. Individual Buyers must qualify for first mortgage financing from a THAP-approved lender. Applicants must submit a lender pre-approval letter with their application with a maximum loan amount.

- b. Verification of final loan terms will be required prior to final approval for program compensation.
- c. The first mortgage loan must be a 30-year fixed rate, fully documented, conventional loan. The mortgage payment must be fully amortizing. Prohibited loan types include stated income, adjustable rate, interest-only, negative amortizing, private loans and loans with balloon payments.
- d. Applicants may not use a cosigner or guarantor when qualifying for the first mortgage. All loan signers must be household members who are included on the Application and total household income of all loan signers shall be included as part of the Applicant's total income when determining the Applicant's income eligibility level.
- e. A list of THAP-approved lenders is provided on the Town's THAP website. Applicants can work with any lender that has reviewed the THAP Program documents and confirmed in writing that they are able to lend on the THAP, including having the lender's interest be subordinate to the THAP deed restriction.
- ~~f. In the case of a seller carry back, a signed acknowledgement from the seller indicating potential seller carry back with loan terms and attesting that the seller understands and agrees to the THAP deed restriction terms, including that the deed restriction survives foreclosure, may be submitted in the place of a pre-approval letter. Seller carryback financing must include an attestation from the seller that they understand and agree to program terms.~~

F. Title Transfer Restrictions: Title transfers are permitted under limited circumstances – see Deed Restriction for more information.

G. Refinancing:

- a. Approval: Owners are permitted to refinance up to 75% of the property's current fair market value. If an Owner chooses to refinance their first mortgage, they must contact the Program Administrator for approval. Refinance requests are considered for a lower interest rate and/or better loan term, or to a restricted amount of cash-out.
  - i. Local Businesses should contact the Town at [housing@townoftruckee.com](mailto:housing@townoftruckee.com) for a consultation on requests to refinance.
- b. Refinance Fee: Owners will be charged a refinance fee, as specified in the Town's adopted fee schedule, to be paid to the Town of Truckee upon closing in order to cover a portion of the costs associated with eligibility screening and preparation of subordination documents. This refinance fee can be financed and paid at closing. A copy of the check shall be sent to the Program Administrator with the final closing documents. The check will be issued and sent directly to:

Town Of Truckee  
Attn: Finance Department  
10183 Truckee Airport Road  
Truckee, CA 96161

- c. Home Equity Line of Credit, Home Equity Loans, and Reverse Mortgages: Home equity lines of credit (HELOC), home equity loans, or reverse mortgages are not permitted. Owners who use such programs are in violation of their Deed Restrictions and will not be allowed to refinance their loan.
- d. Cash Out Refinance Policy: The Town has approved a limited Cash Out Refinance Policy allowing homeowners to consolidate debt or receive cash at closing.
  - i. This policy is subject to termination at any time.
  - ii. The new first loan amount will be restricted to an amount not to exceed 75% of the current Fair Market Value.
  - iii. In order to qualify for a cash out loan, Owner must meet the following requirements:
    - 1. Current on HOA dues (if applicable)
    - 2. Current and in compliance with most recent annual monitoring of THAP program requirements
    - 3. Not in default on first mortgage and has no recorded Notice of Default (NOD) in the past 12 months
    - 4. Not otherwise in default under the Program requirements

### **3.3 THAP Sellers**

- A. Funding Amount: Funding amounts for THAP Seller to deed restrict a housing unit to 245% AMI or below is 16% of Fair Market Value or \$150,000, whichever is less.
- B. Sales Price: THAP Seller's sales price cannot exceed \$787,500.
- C. Eligible Buyers: The THAP Seller must sell the home to a Qualified Buyer Household.

### **3.4 Local Businesses**

Local Businesses can be compensated to sell or rent homes to Qualified Buyer Households or Qualified Tenant Households.

- A. Eligibility: An individual that owns a Local Business, as defined in Section 2, a family trust with a trustee that is the owner of a Local Business, or an entity that

is in common ownership of any amount with a Local Business can apply for THAP as a Local Business.

- B. Funding Amounts: Funding amounts for Local Businesses to deed restrict housing units to 245% AMI or below is 16% of the final purchase price or Fair Market Value, whichever is less.
- C. Initial Purchase Price: Initial purchase price caps for Local Businesses will be determined on a case-by-case basis.
- D. Rent Rates: See Section 7 for information on renting a THAP Unit.

### **3.5 Special Requirements**

All housing units on a property deed restricted through THAP will be subject to THAP requirements and the Deed Restriction, including all accessory dwelling units, junior accessory dwelling units, duplex and multiplex units. If the property purchased using THAP funds is renovated during the term of the Deed Restriction to add an additional housing unit(s), accessory dwelling unit, or junior accessory dwelling unit, including through a lot split, the additional housing unit(s) will be subject to THAP requirements and the Deed Restriction.

## **SECTION 4 – APPLICATION PROCESS**

Buyers and Sellers participate in similar, but separate application processes for 1) Program Pre-approval; and 2) Final Approval. They are both first pre-approved for the program before applying to approve their unit for final approval and distribution of funds.

Applications from Local Businesses must be approved by Town Council on a case-by-case basis.

Funds are not reserved with Program Pre-approval. The Town reserves funds for the transaction on a first come first served basis, based on order of receipt of an executed sales contract and approval from the Town's loan committee.

### **4.1 Individual Buyers**

Buyer households apply for THAP approval participate in a three-step application process.

*Step 1            Program Education Workshop*

Potential applicants are required to attend a mandatory THAP orientation workshop. The THAP orientation workshop will be offered periodically as a live training and will also be offered as a pre-recorded video.

### *Step 2 THAP Buyer Application and Supporting Documents*

The Program Pre-Approval application portal will open to the applicant shortly after the Program Education Workshop begins and the applicant will be invited to submit a complete Program Pre-approval application with all required supporting documents. Applications are accepted on a rolling basis. Applicant must submit a complete Program Pre-approval application package with a lender pre-approval letter with a maximum loan amount and supporting documentation to verify local worker status and household income and size for pre-approval. Applicant will be notified of their pre-approval or denial status in writing after application review by the Program Administrator in order that it is received.

The Program Pre-Approval Application requires:

- For employees, four most recent paystubs for each job in the past 12 months
- For self-employed or business owners, the most recent quarter's profit and loss statements
- Tax returns and W-2's/1099's from the past two years
- Three most recent statements for all asset accounts
- Mortgage pre-qualification letter dated within the past six months

Incomplete applications will not be considered. Applicants will have up to two opportunities over 10 business days to supply additional missing or clarifying documents. If the application is still missing information or documentation after two attempts over 10 business days, it will result in Program disqualification.

If approved, the Program Administrator will issue the applicant a Program pre-approval letters valid for 6 months that allows them to submit a Final Application (explained further below) to calculate funding amount. Program Pre-approval is not a guarantee or reservation of funds.

### *Step 3 Property Application*

The applicant must submit a Final Application within 3 days of executing a purchase contract. It is critical for applicants to submit the Final Application in a timely manner because funding availability and final approval is not guaranteed. If the Final Application is not submitted within 3 days of executing a purchase contract, it will result in Program disqualification.

The Final Application requires

- Purchase and Sale Agreement
- Program Acknowledgement Form
- Preliminary Title Report
- Loan Officer and Real Estate Contacts

The Town will confirm in writing that the property is eligible for THAP participation and the Program Administrator will coordinate with Applicant and their realtor, loan officer and title company to collect required documentation.

## **4.2 THAP Sellers**

The Town encourages THAP Sellers to contact the Program Administrator to either market their home to existing pre-approved buyers or work with the THAP Seller's potential buyers to seek THAP approval.

THAP Seller application forms can be found on the Town's THAP website, and applications are accepted on a rolling basis. Incomplete applications will not be considered.

### *Step 1 THAP Seller Application and Supporting Documents*

THAP Seller Applicants must submit a complete THAP application package with supporting documents including a property tax bill, current bank statements and personal identification and a Fair Market Value appraisal. The Program Administrator will review the Seller's Application package for conditional approval or denial status.

If approved, the Program Administrator will issue a conditionally approved Seller letters valid for 9 months that allows the THAP Seller to submit a Property Application (explained further below) and apply for funding.

Conditional Approval is not a guarantee or reservation of funds. The Town reserves funds for the transaction on a first come first served basis, based on order of receipt of an executed contract and approval from the loan committee.

### *Step 2 Property Application*

The Seller applicant must submit a Property Application within 3 days of executing a purchase contract. It is critical for applicants to submit the Property Application in a timely manner because funding availability and final approval is not guaranteed. If the Property Application is not submitted within 3 days of executing a purchase contract, it will result in Program disqualification.

The Seller's Property Application requires:

- Notice of Intent to Proceed (Form will be provided to applicants upon conditional Program approval)
- Program Acknowledgement Form
- Funding Request Date
- Acknowledgment that all fees associated with the origination of the THAP program will be paid by the Seller

The Town will confirm in writing that the property is eligible for THAP participation.

### **4.3 Local Businesses**

THAP Program proposals from Local Businesses will be reviewed by Town Council and approved on a case-by-case basis. The Program Administrator will consult with each applicant on the application and deed restriction process.

The application process is as follows:

*Step 1 Local Business Interest Form*

Complete Local Business Interest Form, along with a proposal for how THAP funds can be used. The Developer Interest Form is available on the Town's THAP website.

*Step 2 Application Review*

Local Business Applications will be reviewed by the Program Administrator to ensure the proposal meets the qualifications and goals of THAP.

*Step 3 Application Finalization*

The Town and Program Administrator will meet with applicant to finalize the Local Business Application.

*Step 4 Town Council Presentation*

Local Business Applications that meet the qualifications and goals of the Program will be presented to Town Council with the applicant in attendance.

## **SECTION 5 – PURCHASE PROCESS**

The Program Administrator will shepherd buyers, sellers, Realtors, lenders, and title companies through the THAP purchase process – including coordinating document reviews and execution.

The Program Administrator will conduct a formal pre-funding phone appointment with buyers and sellers to answer questions about the funding process, Program requirements, and execution of legal documents.

### **5.1 Realtor Representation**



All buyers must identify a Realtor to represent them in the homebuying process. A list of local Realtors familiar with the Program is provided on the Town's THAP website. Buyers may work with a Realtor not listed.

## **5.2 Title Requirements**

All adult household members must sign the Deed Restrictions and appear as an owner or co-owner on the unit title at the time of purchase with the following exceptions:

- A. Legal dependents of titleholders as claimed on the most recent federal income tax returns. Spouses or domestic partners are not considered dependents.
- B. Household members younger than age 24 who are the child of a titleholder who will reside in the housing unit as their primary residence, regardless of being named as a dependent on the federal tax form of a titleholder.
- C. All adult household members are not required to be added to the loan.
- D. The requirement for all adult members to be listed on the title may be evaluated on a case-by-case basis.

## **5.3 Purchase and Sales Contract**

- A. Buyer's realtor must submit a complete offer package with a residential purchase contract on behalf of the applicant to the listing agent via email by 5pm on the offer due date. Close of escrow cannot be sooner than 30 days and, in most cases, escrow will need to be at least 30 but as long as 45 days.
- B. The buyer has three (3) calendar days from the date of an executed purchase contract to submit the fully executed contract to the Program Administrator. The purchase contract must include at least a 30-day close of escrow period. The buyer or their agent will send a copy of the fully executed purchase contract to the Program Administrator. The lender and Realtor are responsible for keeping the buyer informed of key timelines.

## **5.4 Fair Market Value Appraisal**

- A. Buyers: The buyer's loan agent shall ensure the ordering of the fair market value appraisal within five (5) days of seller acceptance of the buyer's offer. The Program Administrator will be provided a copy and will review to ensure the appraisal is appropriately performed by a qualified appraiser and that no THAP

units are used as comparisons. Buyers are responsible for all fees associated with the appraisal. Final THAP funding will be based on the appraisal. Appraisals must be dated no later than 90 days from the application request.

- a. [Town Staff will compare the appraisal to the property’s building permit records to confirm that the appraisal description matches the building permit records.](#)

B. **Sellers:** THAP requires a copy of the buyer’s Fair Market Appraisal. Applicants are responsible for all fees associated with the appraisal.

- a. [Town Staff will compare the appraisal to the property’s building permit records to confirm that the appraisal description matches the building permit records.](#)

### 5.5 Submission of First Loan

Fifteen (15) business days prior to close of escrow Buyers will submit to Program Administrator:

- First Residential Mortgage Loan Application- Form 1003
- Underwriting Transmittal Summary- Form 1008
- Loan Estimate
- Fair Market Value appraisal dated within 90 days from the date of application
- Preliminary Title Report
- Confirmation of receipt of general and pest inspections of property dated within 90 days
- Confirmation of Buyers’ names and vesting

## SECTION 6 – SELLING A THAP UNIT

Owners may only sell their Unit to a Qualified Buyer Household or Local Business. Subsequent Buyers of the THAP Unit will be subject to current program qualification requirements. [Owners should anticipate that a THAP Unit may sell at less than market value because the Qualified Buyer must meet income and employment qualifications and agree to sign the deed restriction without the benefit of receiving THAP funds.](#)

The following table describes the major steps and approximate processing times THAP Owners can expect for most sales. All processing times listed are estimates and no specific timeline is guaranteed.

<b>Resale Processing Timeline</b>	
<b>Steps</b>	<b>Time Estimate</b>
Notice of Intent to Sell Packet Submittal	5 days
Visual Inspection and Preparation of Unit for Sale	10 days

Marketing	TBD, depending on market conditions
Application Review - Issuance of Conditional Approval	10 days
Sales Contract Ratification (30-day closing)	5 days
First Loan Approval - Lender Package Submittal	15 days
Final Review - Issuance of Final Approval & Program Documents	10 days
Closing	3 days
<b>Total Calendar Days</b>	<b>~ 70 days</b>

- A. Notice of Intent to Sell: Once an Owner has decided to sell their Unit, the Owner must contact the Program Administrator and submit a Notice of Intent to Sell. The Program Administrator will provide the Owner with a formal response and consult with the Owner on how to proceed. The Owner may furnish their own program-eligible buyer or may request that the Program Administrator share the listing with all pre-approved Applicants.
- B. Approval: The Program Administrator will coordinate with the Buyer to complete a Pre-approval application with updated supporting documents to determine Program eligibility. Upon approval, the Program Administrator will issue an approval letter to the Buyer and Seller.
- C. Escrow: The Program Administrator will coordinate with the buyer, Realtor, lender, and title company to complete all escrow steps outlined in Section 6.
- D. Resale Fee: Upon sale or transfer of any THAP unit, regardless of the cause of sale, the seller will be responsible to pay a resale fee as specified in the Town's adopted fee schedule, payable to the Town of Truckee.

## SECTION 7 – RENTING A THAP UNIT

THAP owners are permitted to rent their THAP Units under certain conditions.

### 7.1 Rental Requirements

Proposed leases and tenants/ sub-tenants, shall meet all- following criteria.

- A. Rent Rate: The maximum rent rate allowed to be charge for a THAP Unit is 30 percent of 245% AMI adjusted for bedroom size.

Studio	1-Bedroom	2-Bedroom	3-Bedroom
(245% AMI HH* 1 /12) x 0.3	(245% AMI HH 2 /12) x 0.3	(245% AMI HH 3 /12) x 0.3	(245% AMI HH 4 /12) x 0.3

\*Household Size

B. Tenant Eligibility

- a. THAP Units shall only be leased or rented to a Qualified Tenant Household.
- b. The Qualified Tenant Household must occupy the THAP Unit as their primary residence.

C. Lease Period: The initial lease period must be a minimum of 12 months and can be month-to-month thereafter with the same tenant. All leases must be in writing.

D. Post-Closing Occupancy Agreement: Qualified Owners who have a Post-Closing Occupancy Agreement (also known as rent back) included in the contract for purchase of the THAP Unit may rent to a non-qualified tenant for a period of no more than 60 days as outlined in the Post-Closing Occupancy Agreement.

E. Separate Leases: If leasing individual bedrooms on separate leases, each lessee must meet all tenant qualifications.

F. Leasing Fee: Owners will be charged an annual leasing fee, as specified in the Town's adopted fee schedule, to be paid to the Town of Truckee upon lease execution to cover a portion of the administrative costs associated with monitoring the rental of the THAP home.

## 7.2 Rental Process

A. Any proposed lease and each tenant or sub-tenant must be approved in advance by the Program Administrator.

B. The Program does not rent or lease THAP Units directly to tenants or credit check tenants on behalf of landlords.

C. The Program Administrator is not a landlord or property manager.

D. The Program Administrator coordinates with Owners who are interested in renting a THAP Unit to confirm the owner's selected tenants qualify for the Program before the lease agreement is signed. Owners are responsible for ensuring their tenants meet their lease criteria (e.g., credit score, eviction history, pets, number of people in household, etc.) before the Program Administrator verifies program eligibility.

~~E. The THAP Renter Verification Form can be found on the THAP website.~~

## 7.3 Short-Term Renting

Short-term renting, ~~operating a hosted rental for a rental term of fewer than 12 months,~~  
~~or renting a THAP Unit as a bed and breakfast Inn~~hosted rental, or renting a THAP units  
for a rental term of fewer than 12 months, is not allowed under any circumstances.