



TOWN OF TRUCKEE

Program Guidelines

Town of Truckee Home Access Program (THAP)

APPROVED BY: Truckee Town Council January 24, 2023

Town of Truckee THAP 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 SUMMARY

- 3.1 Purchase/Sales/Rent Rates**
 - Buyers and Sellers*
 - Local Businesses and Developers*
- 3.2 Funding/Payment for Deed Restrictions**
 - Buyers and Sellers*
 - Local Businesses and Developers*
- 3.3 Eligible Use of Funds and Distribution**
- 3.4 Partnering with Realtors and Lenders**

SECTION 4 – ELIGIBILITY REQUIREMENTS: BUYERS AND RENTERS

- 4.1 Local Employment**
- 4.2 Household Income and Size**
- 4.3 Asset Limits**
- 4.4 Mortgage Readiness**
- 4.5 Tenant Eligibility**

SECTION 5 – APPLYING TO THAP: BUYERS AND SELLERS

- 5.1 Buyers**
 - Step 1 Program Education Workshop*
 - Step 2 THAP Buyer Application and Supporting Documents*
 - Step 3 Property Application*
- 5.2 Sellers**
 - Step 1 THAP Seller Application and Supporting Documents*
 - Step 2 Property Application*
- 5.3 Local Businesses and Developers**
- 5.4 Renters/Tenants**

SECTION 6 – PURCHASE PROCESS: BUYERS AND SELLERS

- 6.1 Realtor Representation**
- 6.2 Title Requirements**
- 6.3 Purchase/Sales Contract**
- 6.4 Fair Market Value Appraisal**
 - Buyers*
 - Sellers*
- 6.5 Submission of First Loan Package**
 - Buyers*

SECTION 7 – PROGRAM PARTICIPATION REQUIREMENTS FOR OWNERS AND RENTERS/TENANTS

- 7.1 Occupancy**
- 7.2 Renting**
- 7.3 Title Transfer Restrictions**
- 7.4 Refinancing**

Approval
Refinance Fee
Home Equity Line of Credit, Home Equity Loans, and Reverse Mortgages
Cash Out Refinance Policy

7.5 Annual Monitoring – Owners and Renters

7.6 Owners – Selling a THAP Unit

Notice of Intent to Sell

Approval

Escrow

Resale Fee

SECTION 8 – UNDERWRITING GUIDELINES: BUYERS AND RENTERS

8.1 Local Worker/Employee Status

8.2 Income Limits

8.3 Asset Limits

Determining Assets

Withdrawal of Retirement Accounts

8.4 Household Size Determination

8.5 Mortgage Readiness

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, businesses, and Developers to reserve homes for income qualified local workers using a fifty-five-year deed restriction.

- **Buyers** can apply for funding up to \$150,000 for a maximum \$937,500 home purchase price.
- **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.
- **Developers** can apply for funding to build homes for sale or rent to local workers.

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, businesses, and Developers 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 Outreach and Marketing

The THAP 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 and the local library. All marketing and educational materials and applications will include the Fair Housing logo and marketing materials will be translated and available in Spanish. The Town will issue a press release. The THAP 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. Buyers: Households purchasing a single-family THAP unit (includes condominiums, townhomes, duplexes, and single-family residences) home as their primary residence.
- D. Funding Amount: The payment buyers, sellers, Local Businesses, and Developers receive from the Town in exchange for a 55year Deed Restriction to reserve homes for people who work in the Truckee Region and earn below the program's maximum household income.
- E. Deed Restrictions: The binding agreement signed by each Owner of a THAP unit. The Deed Restriction places permanent restrictions on the THAP unit, or 55year term based on agreed uses, including owner occupancy and income.
- F. Developer: A person or business entity that buys land and builds new single family or multifamily housing units for sale or lease.
- G. Fair Market Value: The value of a unit based upon the determination of an authorized appraisal report acceptable to the Town.
- H. 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.
- I. Local Worker/Employee: A household must have at least one member 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 THAP Administrator will verify employment following the employment start date.
- J. Program Administrator: The Town of Truckee will contract with an independent organization to administer the day-to-day operation of the Program.
- K. Program Application: The THAP Program application with required supporting documents submitted by Applicants to determine program eligibility.
- L. Owners: Households who purchase a single-family THAP unit (includes condominiums, townhomes, duplexes, and single-family residences) home as their primary residence.
- M. Sellers: Households selling a single-family THAP unit (includes condominiums, townhomes, duplexes, and single-family residences) home as their primary residence.

N. Term: 55 years

O. Unit: Housing unit that is priced to be affordable to households making no more than 245% AMI for existing units and 180% AMI for new homes.

SECTION 3 – PROGRAM SUMMARY

3.1 Purchase/Sales/Rent Rates

Buyers and Sellers

In 2022 and 2023, Buyers' initial purchase price cannot exceed \$937,500 and Sellers' sales price cannot exceed \$787,500.

Local Businesses and Developers

Initial purchase prices for Local Businesses and Developers will be determined on a case-by-case basis. Rent rates are calculated at 30 percent of the area median income (245%-existing properties/180%-new construction) adjusted for bedroom size.

3.2 Funding/Payment for Deed Restrictions

The THAP Funding Amount for Buyers, Sellers, Local Businesses, and Developers in exchange for a 55 year Deed Restriction on the property will be reviewed on a case-by-case basis and evaluated based on such factors as location, access to services, home age, etc.

THAP Funding Amount is based on the final purchase price or fair market value, whichever is less.

Payments will be made upon signing and recording the Deed Restriction.

Buyers and Sellers

The amount paid for each deed restriction will not exceed the lesser of 16% of the value of a home, as determined by a Fair Market Value Appraisal; or \$150,000.

Funding Scenarios – Buyers and Sellers

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
Buyer's 4% Down: \$37,500	THAP Payment to Seller: \$150,000
Buyer's First Mortgage: \$750,000	Buyer's 20%: \$157,500
	Buyer's First Mortgage: \$630,000

Local Businesses and Developers

Local Businesses and Developers can be compensated to sell or rent homes to THAP eligible households. Funding amounts for Local Businesses to deed restrict housing units to 245% AMI

or below are to be determined by Town Council based on how a project meets Truckee housing goals. and are not to exceed 16% of the appraised value.

Funding amounts for Developers to deed restrict housing units to 180% AMI or below are generally not to exceed 16% of the appraised value. Additional funding amounts will be considered in exchange for lower income targeting. Income limits and funding amount terms will be determined by Town Council based on how a project meets Truckee housing goals. Funding will be allocated with approval by Town Council and distributed at sale.

3.3 Eligible Use of Funds and Distribution

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.

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.

THAP funds are not allowed to be used for the purchase of any properties with known code violations or open code violation cases.

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 (eg 55-year term or renewal upon sale) that restrict ownership and/or occupancy based on a local employment or income requirement.

3.4 Partnering with Realtors and Lenders

THAP partners with local Realtors and lenders to invite their clients to apply. THAP will list partner lenders and local Realtors on the Town's THAP website. THAP Applicants are not required to use a partner lender or realtor.

Table 1: Program Requirement Chart

This chart summarizes funding amounts, applicant, and participant requirements

	Individual Home Buyers	Sellers	Local Businesses	Developers
Funding Amount	The lesser of \$150,000 or 16% of appraised value	The lesser of \$150,000 or 16% of appraised value	Up to 16% of appraised value	Up to 16% of the appraised value. Additional funding will be considered for lower income targeting
Maximum Initial Purchase/Sales Price	\$937,500 purchase price	\$787,500 sales price	Local businesses can rent homes for THAP maximum rent rate	Developers can sell their homes priced for 180% AMI buyers or rent homes for THAP rent rate
Local Employment	Buyer must meet local employment criteria	Buyer must meet local employment criteria	occupants must meet local employment criteria	occupants must meet local employment criteria
Occupancy	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	Home must be occupant's principal residence 10 out of 12 months per year
Mortgage/Lease Readiness	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/Tenant must qualify for lease	As applicable, Buyer must qualify for a first mortgage and submit a lender pre-approval letter/Tenant must qualify for lease
Income Limits	Buyer must meet 245%/180% AMI requirement	Buyer must meet 245% AMI requirement	Occupants must meet 245%/180% AMI requirement	Occupants must meet AMI requirement (180% AMI or lower, as negotiated)
Asset Limits	Buyers' liquid assets must not exceed 30% of sales price of home	Buyers' liquid assets must not exceed 30% of sales price of home	N/A	N/A

SECTION 4 – ELIGIBILITY REQUIREMENTS: INDIVIDUAL HOME BUYERS

Individual Home Buyers program applicants must meet specific minimum THAP eligibility requirements:

Truckee Home Access Program Guidelines – January 24, 2023

- At least one household member is employed full-time or will be employed within the Tahoe Truckee Unified School District boundary before close of escrow or execution of the lease.
- Annual gross household income, including the income of all household members 18 years of age and older, must not exceed 245% AMI for existing homes and 180% for new construction homes;
- Buyer assets do not exceed THAP maximum;
- Buyer Applicants must be able to obtain primary mortgage financing

4.1 Local Employment

A household must have at least one member who is currently employed 30 or more hours per week, meets fulltime 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. A paystub from the qualifying employer will be required prior to close of escrow to verify employment.

Continuous local employment will not be required by the THAP Program after close of escrow or execution of the lease.

4.2 Household Income and Size

Applicant(s) must not exceed THAP's income eligibility limits. 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 THAP website.

Household income and size is considered at application only.

4.3 Asset Limits

Liquid assets must not exceed 30% of the sales price of the home the Applicant intends to purchase.

4.4 Mortgage Readiness

THAP homebuyer applicants must qualify for first mortgage financing. Applicants must submit a lender pre-approval letter with their application with a maximum loan amount. In the case of a seller carry back, a signed acknowledgement from the seller/buyer indicating potential seller carry back with terms, if available may be submitted in the place of a pre-approval letter. Verification of final loan terms will be required prior to final approval for program compensation. 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.

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.

A list of lenders who are able to lend on the THAP units 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.

4.5 Tenant Eligibility

THAP unit renters, which includes roommate tenants that occupy the THAP unit alongside Owners, must be income and credit qualified by the THAP property owner in advance of completing a THAP Renter Verification Form on the THAP website.

SECTION 5 – APPLYING TO THAP: BUYERS AND SELLERS

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

Funds are not reserved with conditional 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.

5.1 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 application portal will open shortly after the application workshops begin and interested applicants will be invited to submit a complete THAP Program application with all required supporting documents. 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 THAP Buyer application can be found on the Town's THAP website and applications are accepted on a rolling basis. Applicants must submit a complete THAP 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. Applicants will be notified of their conditional approval or denial status in writing after application review by the Town's loan committee in order that it is received.

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.

THAP will issue Buyers conditional Program approval letters valid for 9 months that allows them to submit a Property Application (explained further below) to calculate funding amount. Conditional Program Approval is not a guarantee or reservation of funds.

An additional 90-day extension to the Conditional Program Approval letter expiration may be granted by the Town in the event of hardship. The Applicant will be required to demonstrate hardship and evidence of actively making offers on homes.

Step 3 Property Application

The 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 Property Application requires

- Purchase and Sale Agreement
- Program Acknowledgement Form
- Preliminary Title Report
- Loan Officer and Real Estate Contacts
- An affidavit certifying that there are no known code violations on the property.

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

5.2 Sellers

The Town encourages Sellers to contact the THAP Administrator to either market their home to existing conditionally approved buyers or work with the 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 THAP Administrator will review the Seller's Application package for conditional approval or denial status.

THAP will issue conditionally approved Sellers letters valid for 9 months that allow them 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
- An affidavit certifying that there are no known code violations on the property.

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

5.3 Local Businesses and Developers

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

The application process is as follows:

1. Complete Local Business & Developer 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.
2. THAP proposals will be reviewed by the THAP Administrator to ensure the proposal meets the qualifications and goals of the THAP.
3. The Town and THAP Administrator will meet with applicant to finalize the THAP proposal.
4. Proposals that meet the qualifications and goals of the THAP Program will be presented to Town Council with the applicant in attendance.

5.4 Renters/Tenants

The THAP program does not rent or lease THAP units directly to tenants or credit check tenants on behalf of landlords. The THAP Administrator is not a landlord or property manager.

The THAP Administrator coordinates with THAP property owners who are interested in renting a THAP property to confirm the owner's selected tenants, which includes roommate tenants that occupy the THAP unit alongside Owners, 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 THAP Administrator verifies program eligibility.

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

SECTION 6 – PURCHASE PROCESS: BUYERS AND SELLERS

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

The THAP 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.

6.1 Realtor Representation

Buyer Applicants 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. Applicants may work with a Realtor not listed.

6.2 Title Requirements

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

- 1) Legal dependents of titleholders as claimed on the most recent federal income tax returns. Spouses or domestic partners are not considered dependents.
- 2) 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.
- 3) All adult household members are not required to be added to the loan.

6.3 Purchase/Sales Contract

Applicant'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.

The Applicant has three (3) calendar days from the date of an executed purchase contract to submit the fully executed contract to the THAP Administrator. The purchase contract must include at least a 30-day close of escrow period. The Applicant 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 Applicant/Buyer informed of key timelines.

6.4 Fair Market Value Appraisal

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 THAP 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. Buyer Applicants 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.

Sellers

THAP requires a copy of the buyer's Fair Market Appraisal. Applicants are responsible for all fees associated with the appraisal.

6.5 Submission of First Loan Package

Buyers

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

- 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 7 – PROGRAM PARTICIPATION REQUIREMENTS FOR OWNERS AND RENTERS/TENANTS

7.1 Occupancy

All 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 7.2 the Town may grant approval for a homeowner to rent their unit to a program eligible tenant.

7.2 Renting

The Town and THAP Administrator will permit THAP owners to rent their homes under certain conditions. Proposed leases and tenants/ sub-tenants, including roommate tenants, shall meet the following criteria:

- At least one household member is employed full-time or will be employed within the Tahoe Truckee Unified School District. Household member may show proof of current eligible employment or a written offer for full-time employment. In the case of a written offer, the THAP Administrator will verify employment following the employment start date.
- Annual gross household income, including the income of all household members 18 years of age and older, must not exceed the maximum AMI level of the property's deed restriction (245%-existing properties/180%-new construction).
- Monthly rent charged must not exceed 30 percent of the maximum annual area median income level of the THAP property's deed restriction (245%-existing properties/180%-new construction) divided by 12 months adjusted for bedroom size.

- 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.

THAP 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.

Any proposed lease and each tenant or sub-tenant must be approved in advance by the Town and THAP Administrator. Short-term renting or renting a THAP unit as a bed and breakfast Inn is not allowed under any circumstances.

7.3 Title Transfer Restrictions

Title transfers are permitted under limited circumstances – see Deed Restriction for more information.

7.4 Refinancing

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 THAP 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.

Local Businesses and Developers should contact the Town at housing@townoftruckee.com for a consultation on requests to refinance.

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 THAP 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

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.

Cash Out Refinance Policy

The Town has approved a limited Cash Out Refinance Policy allowing homeowners to consolidate debt or receive cash at closing. This policy is subject to termination at any time. The new first loan amount will be restricted to an amount not to exceed 75% of the current Fair Market Value.

In order to qualify for a cash out loan, Owner must meet the following requirements:

Truckee Home Access Program Guidelines – January 24, 2023

- a. Current on HOA dues (if applicable)
- b. Current and in compliance with most recent annual monitoring of THAP program requirements
- c. Not in default on first mortgage and has no recorded Notice of Default (NOD) in the past 12 months
- d. Not otherwise in default under the Program requirements

7.5 Annual Monitoring – Owners and Renters

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.

7.6 Owners – Selling a THAP Unit

THAP Owners may only sell their Unit to a THAP-qualified buyer. Subsequent buyers of the THAP unit will be subject to current program qualification requirements.

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.

Resale Processing Timeline	
Steps	Time Estimate
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
Total Calendar Days	~ 70 days

A. Notice of Intent to Sell

Once an Owner has decided to sell their Unit, the owner must contact the THAP Administrator and submit a Notice of Intent to Sell. The THAP 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 THAP Administrator share the listing with all pre-approved THAP Applicants.

B. Approval

The THAP Administrator will coordinate with the Buyer to complete a THAP Program Application with updated supporting documents to determine Program eligibility. Upon approval, the THAP Administrator will issue an approval letter to the Buyer and Seller.

C. Escrow

The THAP 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.

Local Businesses and Developers should contact the Town at housing@townoftruckee.org for consult on re-sale requests.

SECTION 8 – UNDERWRITING GUIDELINES: BUYERS AND RENTERS

8.1 Local Worker/Employer Status

A household must have at least one member who is currently employed 30 or more hours per week, meets fulltime 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 THAP Administrator will verify employment following the employment start date.

8.2 Income Limits

Annual gross household income, including the income of all household members 18 years of age and older, must not exceed 245% AMI for existing homes, 180% AMI for new construction homes, or less than 180% AMI as negotiated with the Developer.

8.3 Asset Limits

For Buyer Applicants, Applicant(s) liquid assets must not exceed 30% of the sales price of the home the Applicant intends to purchase.

Determining Assets

Liquid Assets 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.

Liquid Assets 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.

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.

8.4 Household Size Determination

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.

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.

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.

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.

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.

8.5 Mortgage Readiness

An Applicant's Lender Pre-Approval letter must meet the requirements set forth in Section 4.4.

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 the total household income of all loan signers shall be included as part of the Applicant's total income when determining the Applicant's program income eligibility level.