



# San Bernardino County

## Land Use Services Department, Planning Division

San Bernardino County Government Center  
385 N. Arrowhead Ave., San Bernardino, CA 92415-0187  
15900 Smoke Tree Street; Hesperia, CA 92345  
San Bernardino Office – (909) 387-8311 High Desert Office – (760) 995-8140  
Fax (909) 387-3223 Fax (760) 995-8167

## HOUSING INCENTIVES PROGRAM SUPPLEMENTAL INFORMATION SHEET AND SAMPLE AGREEMENTS

This packet provides additional information and sample agreements for applicants who wish to submit an application for an affordable housing project and are requesting a density bonus. It is supplemental to at least one other land use application. See item #1 below. For costs and submittal requirements, please refer to one of these other applications.

### INFORMATION AND PROCEDURES

1. Applicants proposing to utilize the Housing Incentives Program (HIP) will submit one or more of the following project applications:

- (a) Pre-Application Development Review
- (b) Minor Use Permit (MUP)
- (b) Conditional Use Permit (CUP)
- (c) Preliminary Development Plan (PDP)\*
- (d) Planned Development (PD) and Tentative Tract (TT)\*

\* Tentative Tracts HIP projects may only be filed as part of a Planned Development Application.

(Note: Where a PD or a part of a PD is proposed as an Housing Incentives Program Project, the density bonus shall be computed on the base density allowed by the General Plan map.)

2. Housing Incentives Program (HIP) Developer Agreement: As a condition of final project approval, applicant will complete the appropriate HIP Developer Agreement [e.g., HIP Sale, HIP Sale (Condominium Conversion), or HIP Rental Agreement]. Sample HIP Sale and Rental Agreements are attached.

### REASON FOR THE HOUSING INCENTIVES PROGRAM

The County of San Bernardino is committed to encouraging the construction of affordable housing developments. The Housing Element of the General Plan promotes the development and maintenance of structurally sound, sanitary, attractive and affordable housing and living environments for all economic segments of society. Affordable Housing is generally defined as housing where the lower/very low income occupant is paying no more than 30% of gross income for gross housing costs, or the moderate income occupant is paying no more than 35% of gross income for gross housing costs.

### WHAT IS THE HOUSING INCENTIVES PROGRAM?

The HIP implements the provisions of State Density Bonus Law, California Government Code, Section 65915, et seq. The County Board of Supervisors has adopted the Housing Incentives Program which sets forth criteria for granting density bonuses and other incentives as follows:

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**INCENTIVE 1: Density Bonuses**

Density Bonuses of twenty-five percent (25%) above the General Plan designated density shall be granted to housing developments as consideration for compliance with all terms of the duly executed and authorized HIP Developer Agreement and all requirements of any applicable statutes and regulations. In all cases, the final granting of density bonuses shall be at the discretion of the Planning Commission and the Board of Supervisors upon approval of the HIP Developer Agreement. The County shall grant the following density bonuses under the HIP as applicable:

**FOR-SALE OR FOR RENT AFFORDABLE HOUSING  
MAXIMUM DENSITY BONUS ALLOCATIONS**

<u>INCOME GROUP DENSITY BONUS</u>	<u>MAXIMUM DENSITY BONUS</u>	<u>% AFFORDABLE REQUIRED FOR MAXIMUM</u>
Lower - 80% of median	25%	20%
Very Low - 50% of median	25%	10%
Senior Citizen Housing (as defined in California Civil Code Section 51.3) No income limitations apply to this category.	25%	50%

**\*CONDOMINIUM CONVERSION HIP PROJECTS** (pursuant to Government Code Section 65915.5, where the density bonus means an increase in units over the number of apartments to be provided within the existing structure(s) proposed for conversion. Condominium Conversion Projects are ineligible for HIP incentives if the apartments proposed for conversion constitute a housing development for which a density bonus and/or other incentives were previously provided.)

Low	25%	15%
Moderate Income**	25%	33%

\*The HIP Sale (Condominium Conversion) Agreement must be used for these projects. There is no term of affordability after resale for Condominium Conversion Projects.

\*\*Moderate Income is  $\leq$  120% of the Regional Median Income and *only* applies to a Condominium Conversion HIP project, per Government Code Section 65915.5.

**INCENTIVE 2: Prioritized Processing and Scheduling**

All Housing Incentives Program applications are entitled to first priority approval and processing.

**PREAPPLICATION PROCEDURE**

The preapplication procedure is optionally available to all HIP Project applicants. The procedures for each alternative are described as follows:

**ALTERNATIVE 1**

**Housing Incentives Program Applicants using Preapplication Conference (J694) Procedure**

The HIP preapplication procedure is an opportunity for the comprehensive but informal review of an applicant's proposal, wherein all County departments and other municipal governments review information submitted by the applicant and provide comments.

The HIP Preapplication package may be submitted at any time. After acceptance of the complete preapplication, a Pre-application Conference (J694) will be held. At this meeting, all County departments and other jurisdictions involved in the review of the proposal will have the opportunity to attend and/or provide their input. Applicant must submit all items listed in the Preapplication Checklist.

## ALTERNATIVE 2

### HIP Applicants Seeking to Waive Preapplication Conference (J694) Procedure

HIP applicants may waive the Preapplication Conference (J694) by written notice. Applicant would then complete and submit all items indicated on the Preapplication Checklist, and file this Preapplication package with the appropriate application type (e.g., CUP, or PD and Tentative Tract).

CUP, Tract, or PD HIP Projects are reviewed by the Development Review Committee (DRC) whereby all County departments and other affected jurisdictions will evaluate the proposal and provide their input.

### HOUSING INCENTIVES PROGRAM CRITERIA

1. HIP Projects must construct five or more housing units, excluding the additional units requested through the density bonus.
2. Appropriate land use district is in place, or applicant is in the process of applying for an appropriate change of district.
3. Affordable housing units will be sold to qualified owner/occupants exclusively, rented to qualified tenants only, or occupied by qualified senior citizens only.
4. Housing unit density is in accordance with all applicable regulations and codes.
5. MAXIMUM HOUSEHOLD INCOME LEVELS are established each year for each income group for each County by the State Department of Housing and Community Development (HCD) based on the limits established by the Department of Housing and Urban Development (HUD). The same income levels apply to the unincorporated and incorporated portions of the County. The current income levels for the County are provided in Exhibit C to the HIP Sale and Rental Agreements which are attached. The income levels are based on the Countywide Median Income.

Lower Income:	80% of Median Income
Very Low Income:	50% of Median Income
Extremely Low Income:	30% of Median Income

6. Maximum Sales Prices by income group for affordable housing units for sale are provided in the HIP Sale Agreement. No adjustment for household size or unit size is made in calculating the maximum sales prices. The monthly house payment, which includes homeowners fees, insurance and taxes, etc., cannot exceed the following:

Lower, Very Low and Extremely Low Income: .30 X Monthly Income

Note: While the mortgage rate for a particular project may be designated at a specific level when a project receives HIP approvals, mortgage rates typically fluctuate over time, and so the specific rate(s) utilized as the project is marketed may be subject to negotiation between the HIP Project Developer and San Bernardino County.

7. MAXIMUM ALLOWABLE RENTS are calculated by determining the maximum number of occupants for the number of bedrooms proposed, and adjusting the Median Income figure accordingly. *NOTE: Although the Lower Income level is defined as earning 80% of the median, State Law established a different formula for calculating maximum rents.* The Maximum Allowable Rents are provided by income group (**60% for Lower Income**) and unit size/household size in the HIP Rental Agreement using the following formula:

Lower Income Units:	(.60 X Monthly Income X .30) Adjusted for BR size or HH size
Very Low Income Units:	(.50 X Monthly Income X .30) Adjusted for BR size or HH size
Extremely Low Income Units:	(.30 X Monthly Income X .30) Adjusted for BR size or HH size

A conversion schedule established for HCD's California Housing Rehabilitation Program - Rental assumes the following:

UNIT SIZE	PERSONS PER UNIT
SRO (residential hotel) unit	.75 of one person (no kitchen or bath)
0 bedroom unit (studio)	1 person
1 bedroom unit	2 persons
2 bedroom unit	3 persons
3 bedroom unit	4 persons
4 bedroom unit	6 persons

8. All applicants of the Housing Incentives Program, as a condition of approval of a density increase, shall be required to enter into an HIP Developer Agreement.
9. Owners shall not be allowed to sell or rent housing units that are committed as affordable housing unless owner and County of San Bernardino first enter into a HIP Developer Agreement relating to those units.
10. Projects granted a density bonus under the terms of the HIP Sale or HIP Rental Agreements must reserve 20% of the units for Lower Income group occupants, 10% of the units for Very Low Income group occupants, or 50% of the units for seniors. All units committed as affordable housing must be reserved as affordable for a period of 10 years from the date of the initial occupancy of the unit. Affordable housing projects granted an additional, financial incentive must reserve the affordable units for a minimum period of 30 years, maximum period of 50 years from the date of initial occupancy. This requirement for the re-sale or re-rental of any affordable unit shall be included in the project conditions of approval, the HIP Developer Agreement, and as a restriction of the deed. Applicants receiving additional financial incentives or subsidies shall be required to provide all applicable documentation to that effect prior to completion of the appropriate HIP Developer Agreement.
11. Projects granted a density bonus under the terms of the HIP Sale (Condominium Conversion) Agreements must reserve 33% of the units for Moderate Income group occupants or 15% of the units for Lower Income group occupants. No term of affordability restrictions apply.
12. HIP Sale and Rental Agreements are subject to the State Density Bonus Law (California Government Code Section 65915 et seq.) and all changes to such law shall, where necessary constitute an automatic amendment to any HIP Sale/Rental Agreement. Such automatic amendments include modifications to the maximum rental prices and/or maximum income levels by the State Department of Housing and Community Development (HCD).

Recording requested by  
County of San Bernardino, California

When recorded, mail to:

Clerk of the Board of Supervisors  
County of San Bernardino  
385 N. Arrowhead Avenue, 2nd Floor  
San Bernardino CA 92415-0130

Space above this line for Recorder's use

COUNTY OF SAN BERNARDINO

HOUSING INCENTIVES PROGRAM (HIP)  
DEVELOPER SALE AGREEMENT

This HOUSING INCENTIVES PROGRAM DEVELOPER SALE AGREEMENT ("HIP Sale Agreement"), dated as of \_\_\_\_ 20 \_\_\_\_, is made by and between the County of San Bernardino (the "County"), a legal subdivision and body corporate and politic of the State of California and \_\_\_\_, a \_\_\_\_ organized under the laws of the State of \_\_\_\_ (the "Owner"),

WITNESSETH :

WHEREAS, California Government Code, Section 65915, et seq., requires that the County grant a density bonus and/or other incentive to any developer of housing who meets certain requirements set forth therein and agrees to construct at least (1) 20 percent of the total number of units permitted by the General Plan for a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (2) 10 percent of the total number of units permitted by the General Plan for a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code, or (3) 50 percent of the total dwelling units of a housing development for qualifying residents, as defined in Section 51.3 of the Civil Code, and

WHEREAS, California Code of Regulations, Title 25, Section 6910, et seq., contains regulations implementing the statute described above. The regulations contain various definitions and contain a table of income limits for families of various sizes and income levels; and

WHEREAS, pursuant to the aforementioned statute and regulations, the County's Board of Supervisors has adopted a Housing Incentives Program (HIP) setting forth criteria for the granting of various incentives, including density bonuses.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this HIP Sale Agreement, the County and the Owner agree as follows:

ARTICLE I  
DEFINITIONS AND STRUCTURE

Section 1.1 Definitions. As used in this HIP Sale Agreement, the following terms shall have the following meanings.

Affordable Units. The units in the Project designated for sale to low income households or seniors.

Maximum Household Income. The term "maximum household income" in the County is as set forth in Exhibit C.

Building or Structure. The term "Building" or "Structure" means a discrete edifice or other manmade construction consisting of an independent foundation, outer walls and roof. A single unit which is not an entire building but is merely a part of a building is not a Building or Structure within the meaning hereof. As such, single townhouses are not Buildings or Structures if their foundation, outer walls, and roof are not independent. Detached houses and row houses are Buildings or Structures.

Lower-Income Household. "Lower income households" means persons and families as described in California Health and Safety Code Section 50079.5.

Very low income households. Very low income households" means persons and families as described in California Health and Safety Code Section 50079.5.

Senior citizen. Senior citizen means a person 62 years of age or older, or 55 years or older in a senior citizen housing development, and as further defined in Section 51.3 of the Civil Code.

Maximum Sales Price. The term "Maximum Sales Price" is derived from the County median income for a family of four. The calculations and schedules of Maximum Sales Price are presented in Exhibit C.

Program. The term "Program" means the Housing Incentives Program.

Project. The term "Project" means the housing located on the real property described in Exhibit A hereto.

Term of HIP Sale Agreement. This HIP Sale Agreement shall remain in effect until the owner has satisfied its obligation hereunder, but in no event shall the period of effectiveness extend beyond 50 years from the date first appearing above.

Section 1.2 Interpretation. Unless the context clearly requires otherwise, words of any gender shall be construed to include correlative words of the other gender, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This HIP Sale Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Sections 2.1 Representations and Warranties by County. The County represents and warrants as follows:

(A) It (1) is a legal subdivision and body corporate and politic of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California; (2) has lawfully determined to adopt and implement the Program; (3) has full power and authority to execute and deliver this HIP Sale Agreement and to perform its obligations hereunder; and (4) by proper action has duly authorized the execution and delivery of this HIP Sale Agreement.

(B) The execution and delivery of this HIP Sale Agreement and the consummation of the transactions contemplated hereby do not conflict with or constitute a breach of or a default under the Constitution or other laws of the State of California or the terms and conditions of any agreement or commitment to which the County is a party or by which the County is bound.

Section 2.2 Representations and Warranties by Owner. The Owner represents and warrants as follows:

(A) It is duly organized, validly existing and in good standing under the laws of the State of its organization as set forth on the first page of this HIP Sale Agreement and has the power and authority to own its properties and carry on its business as now being conducted, and is duly qualified to do such business wherever such qualification is required, including the State of California.

(B) It has the power to execute and deliver this HIP Sale Agreement and to carry out the transactions contemplated hereby and has duly authorized the execution, delivery and performance of this HIP Sale Agreement.

(C) Neither the execution or delivery of this HIP Sale Agreement nor the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of any of the terms, conditions or provisions or any legal restriction of any agreement or instrument to which it is now a party or by which it is bound, or constitutes a default under any of the foregoing or violated any judgment, order, writ, injunction, decree, law, rule or regulation to which it is subject.

(D) It is knowledgeable and experienced in the construction and operation of housing of the magnitude and nature it proposes to undertake in connection with the Project.

## ARTICLE III

### OWNER COVENANTS

Section 3.1 Covenants of Owner. The Owner covenants as follows:

(A) Owner is owner of certain real property located in the \_\_\_\_\_ County of San Bernardino, described in Exhibit A.

(B) Owner proposes to construct \_\_\_\_\_ for-sale units on the property described above. The County's General Plan permits the construction of \_\_\_\_\_ housing units on the property. Owner has requested a \_\_\_\_\_ percent bonus density. County agrees that Owner shall receive the requested bonus density and any other housing incentive set forth in the HIP in consideration for compliance with all terms of this HIP Sale Agreement.

(C) Owner agrees that \_\_\_\_\_ percent of the number of units permitted by the General Plan or \_\_\_\_\_ housing units of the proposed housing units in the Project shall be committed as affordable housing to owner/occupant \_\_\_\_\_ income households as provided below. Owner further agrees to comply with all applicable requirements of the above-referenced statutes, regulations and the HIP.

(D) In accordance with this HIP Sale Agreement, the Owner shall make available for sale (to \_\_\_\_\_ income households as defined herein) \_\_\_\_\_ of the housing units constructed for the project, per phase, at a sales price not exceeding the Maximum Sales Price (as defined in Section 1.1 herein). Affordable units shall be developed at the same time or prior to market rate units. Adjustable rate mortgages, graduated payment mortgages, and mortgage buydowns shall not be utilized to qualify home buyers.

(E) The annual household income for the lower and very low income groups shall have a maximum as defined in Section 1.1. If, after 180 days from the date of final approval of the Project by the County, escrows have not begun on the required number of affordable units to qualified buyers, income limitations are eliminated for the affordable units which have not been placed in escrow, provided the Owner has documented to the County the following:

1. Owner has advertised, not less than once a week, over a 180-day period. Owner shall place a 1/8 page legal display advertisement in a newspaper of general circulation.
2. Owner has contacted the (Housing Authority or local Board of Realtors) requesting qualified buyers, not less than once a month.
3. Listing of names and addresses of interested qualified potential buyers for the affordable units.

(F) Notwithstanding any other provision of this HIP Sale Agreement to the contrary, under no circumstances shall any of the following be eligible to purchase any of the units in the Project as a lower income or very low income buyer:

1. The Owner, independent contractors of the Owner, and any management companies and sales/rental agencies retained by the Owner.
2. Employees or owners of any entity listed in 1. above.
3. Family members of any individual listed in 2, above. As used herein. The term "family member" means spouse, children, grandparents and parents.

(G) Owner shall not rent housing units(s) committed as affordable housing unless Owner and County of San Bernardino first enter into an Housing Incentives Program Rental Agreement relating to those units. The County at its discretion may refuse to execute a Housing Incentives Program Rental Agreement and Owner shall have no recourse against County for such a refusal.

(H) The Affordable Units shall be sold only to \_\_\_\_\_ income buyers for a period of \_\_\_\_\_ years from date of the individual buyer's sales contract pursuant to the terms in this HIP Sale Agreement, as provided in Section 65915(c) of the Government Code. A restriction to this effect shall be set forth on the Deed of Trust for each Affordable Unit.

(I) Owner shall complete and document to the County for each Affordable Unit within 30 days of close of escrow on each unit, the following:

1. A copy of all affordable housing sales closing statements.
2. An original, signed HIP Sale Agreement for each Affordable Unit (Exhibit B).
3. A declaration under penalty of perjury setting forth sales prices for each affordable housing unit.
4. Substantiating documentation that buyer is qualified as a \_\_\_\_\_ income household. Such documentation may include, but is not limited to, at least one of the following:
  - (A) Copy of most recent Federal Income Tax statement(s)
  - (B) Copy of W-2 forms from current employer(s)
  - (C) Copy of check stub of SSDI or other income source
5. Copy of cancellation agreement, signed by all parties, should escrow not be completed with the purchase of the designated affordable housing unit by buyers.

(J) Owner shall promptly in writing notify County upon any transfer or sale of the Project and a new HIP Sale Agreement shall be executed by the new owner prior to the close of escrow. The project shall remain subject to the requirements of this HIP Sale Agreement whether or not a new Hip Sale Agreement is executed.

#### ARTICLE IV

#### AMENDMENT BY COUNTY

Section 4.1 Amendment by County. This HIP Sales Agreement is subject to the State Density Bonus Law (California Government Code Section 65915 et seq.) and all changes to such law shall, where necessary constitute an automatic amendment to this HIP Sales Agreement. Such automatic amendments include modifications to the maximum sales prices and/or maximum income levels by the State Department of Housing and Community Development (HCD).

ARTICLE V  
PENALTIES FOR DEFAULT

Section 5.1 Default Defined: Penalties. If Owner sells an affordable unit for an amount in excess of the affordable housing Maximum Sales Price, Owner shall pay to the County twice the difference between the affordable maximum sales price and actual sales price. If Owner sells an affordable unit to a buyer whose income exceeds the allowable maximum, defined in Section 1.1, Owner shall pay County \$5,000 for each and every such violation. County shall allocate any money collected pursuant to this Section for the provision of additional affordable housing, including the administration and enforcement of the HIP program.

ARTICLE VI  
OTHER MATTERS

Section 6.1 Recordation of HIP Sale Agreement. This HIP Sale Agreement shall be recorded in the official records of the County, such recordation to be effected at the direction of the County.

Section 6.2 Execution in Counterparts. The HIP Sale Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, such counterparts shall constitute but one and the same instrument.

Section 6.3 Saturdays, Sundays and Holidays. If any action is required to be taken hereunder on a date which falls on a Saturday, Sunday or a holiday, such action shall be taken on the next succeeding business day.

Section 6.4 Entire Agreement. The Exhibits hereto are incorporated herein by this reference. This HIP Sale Agreement shall be construed in accordance with the laws of the State of California and constitutes the entire agreement between the parties and supersedes all prior negotiations, discussions, and preliminary understandings. This HIP Sale Agreement may be amended as the County and Owner mutually agree in writing. Any such amendment must be approved and signed by authorized representatives of the County and Owner.

Section 6.5 Notices. All notices, certificates or other communications shall be addressed as follows:

If to the County:                    Land Use Services Department  
   Policy, Environmental and Mining Section  
   385 N. Arrowhead Ave. 1<sup>st</sup> Floor  
   San Bernardino CA 92415-0187

If to the Owner:                    \_\_\_\_\_  
   \_\_\_\_\_  
   \_\_\_\_\_

The County and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notice, certificates or other communications shall be sent.

Section 6.6 Severability. In the event any provision of this HIP Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.7 Further Assurances and Corrective Instruments. To the extent permitted by law, the County, and the Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitation of the performance of this HIP Sale Agreement.

Section 6.8 Limited Liability.

(A) Nothing contained herein shall create or constitute a debt or indebtedness of the State or the County within the meaning of any provision or limitation of the Constitution or statutes of the State or shall create or constitute or give rise to a pecuniary liability of the State or the County or a charge against its general credit or taxing powers. No supervisors or officer, agent or employee of the County shall be individually or personally liable for any obligation of the County hereunder; but nothing herein contained shall relieve any such Supervisor, officer, agent or employee from the performance of any official duty provided by law.

(B) Owner shall indemnify, defend and hold harmless the County, its officers, agents and employees for any and all claims, losses or legal actions arising from any and all of the actions or omission of the Owner, its employees, agents or subcontractors pertaining to this HIP Sale Agreement.

Section 6.9 Waiver. No waiver of a breach of any provision of this HIP Sale Agreement shall constitute a waiver of any other breach or other provision. Failure of Owner or County to enforce at any time, or from time to time, any provision in this HIP Sale Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and in addition to any other remedies in law or equity.

Section 6.10 Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and are not a part of this HIP Sale Agreement and shall not be used in the interpretation thereof.

Section 6.11 Breach. In the event Owner shall violate any provision of this HIP Sale Agreement, including a default as defined in paragraph 5.1 hereof, Owner shall reimburse County for all costs, including reasonable attorney's fees, to the extent provided by law, incurred by County in enforcing this HIP Sale Agreement or its rights hereunder.

IN WITNESS WHEREOF, the parties have caused this HIP Sale Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

[SEAL]

COUNTY OF SAN BERNARDINO

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD  
DENA SMITH  
Clerk of the Board of Supervisors  
of the County of San Bernardino

\_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST:

(Owner)

\_\_\_\_\_

By: \_\_\_\_\_

**EXHIBIT A  
to HIP Sale Agreement**

Description of the real property  
on which the project is located  
(Include Assessor Parcel Number)

**EXHIBIT B**

**COUNTY OF SAN BERNARDINO  
HIP SALE AGREEMENT CONTRACT NUMBER:**

The sale of this housing unit is subject to the County of San Bernardino's affordable housing regulations. To comply with County regulations, this form must be completed and signed by both the Home Seller and Home Buyer.

1. Maximum allowable gross income \$ \_\_\_\_\_  
Buyers gross income for 20 \_\_\_\_\_ \$ \_\_\_\_\_ (line \_\_\_\_\_ of IRS Form \_\_\_\_\_).

(Note: If after one hundred eighty (180) days from the date of final approval by the County, escrows have not begun on the required number of Affordable Units to qualified buyers, income limitations are eliminated.)

2. Project Address (Include Assessor Parcel Number)

\_\_\_\_\_

3. Maximum allowable sales price \$ \_\_\_\_\_ at \_\_\_\_\_% Interest Rate  
Sales price of affordable housing unit \$ \_\_\_\_\_ at \_\_\_\_\_% Interest Rate  
(Adjustable rate mortgages, graduated payment mortgages, and mortgage buydowns shall not be used to qualify home buyers for the Housing Incentives Program.)
4. Affordable Unit must be occupied by owner whose eligibility has been determined to the satisfaction of the County.
5. Buyer and Seller attest under penalty of perjury under the laws of the State of California that income and sales price do not exceed maximums set forth above.

\_\_\_\_\_  
Buyer's name (please print)

\_\_\_\_\_  
Buyer's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Seller's name (please print)

\_\_\_\_\_  
Seller's signature

\_\_\_\_\_  
Date

## EXHIBIT C

### 2014 INCOME LEVELS FOR LOW AND VERY LOW HOUSEHOLDS

Median \$65,000      Lower \$53,600      Very Low \$33,500      Ext. Low \$20,100

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#### Procedure for Computing Maximum Sales Prices for the HIP Program

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Calculate Maximum Price:

Household Income / Month TIMES Proportion of Income for Housing:  
Lower Income/Very Low Income .... 30%/30%

MINUS Homeowner/Other Fees: \$60.00 per month

YIELDS Monthly Mortgage Payment (with 10% for Taxes & Insurance)  
Mortgage Rate... 6% - 9%  
Term of Loan.... 30 years

Present Value - Monthly Payments  
YIELDS Mortgage Loan - Amount      Down payment..... 10.00%

#### **MAXIMUM PRICE OF THE HOUSING UNIT MAXIMUM SALE PRICES AND INTEREST RATES**

Using various mortgage rates, the maximum sales prices for the Housing Incentive Program are as follows. No restrictions regarding minimum numbers of bedrooms or unit size apply.

<u>Lower Income:</u>		<b>Interest</b>	<b>Maximum Price</b>
		3.0%	\$250,103
Share of Income	30%	4.0%	\$227,615
Monthly Fees	\$60	5.0%	\$207,807
Monthly payment cannot exceed	\$1,273	6.0%	\$190,513
<u>Very Low Income:</u>			
		3.0%	\$153,933
Share Income	30%	4.0%	\$138,361
Monthly Fees	\$60	5.0%	\$126,361
Monthly Payment cannot exceed	\$773	6.0%	\$115,735

Note: While the mortgage rate for a particular project may be designated at a specific level when a project receives HIP approvals, mortgage rates typically fluctuate over time, and so the specific rate(s) utilized as the project is marketed may be subject to negotiation between the Project Developer and San Bernardino County.

## EXHIBIT D

### 2014 INCOME LEVELS FOR LOW AND VERY LOW HOUSEHOLDS

Median	\$65,000	Lower	\$53,600	Very Low	\$33,500	Ext. Low	\$20,100
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### MAXIMUM INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2014

#### Lower Income:

Size		Size	
1	\$36,400	5	\$56,200
2	41,600	6	60,350
3	46,800	7	64,500
4	52,000	8	68,650

#### Very Low Income:

Size		Size	
1	\$22,750	5	\$35,100
2	26,000	6	37,700
3	29,250	7	40,300
4	32,500	8	42,900

## EXHIBIT C

### 2014 INCOME LEVELS FOR MODERATE HOUSEHOLDS

Median \$65,000

Moderate \$78,000

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#### Procedure for Computing Maximum Sales Prices for the HIP Program

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Calculate Maximum Price:

Household Income / Month TIMES Proportion of Income for Housing:  
Moderate Income .... 30%/30%

MINUS Homeowner/Other Fees: \$60.00 per month

YIELDS Monthly Mortgage Payment (with 10% for Taxes & Insurance)  
Mortgage Rate... 6% - 9%  
Term of Loan.... 30 years

Present Value - Monthly Payments  
YIELDS Mortgage Loan - Amount Down payment..... 10.00%

#### **MAXIMUM PRICE OF THE HOUSING UNIT MAXIMUM SALE PRICES AND INTEREST RATES**

Using various mortgage rates, the maximum sales prices for the Housing Incentive Program are as follows. No restrictions regarding minimum numbers of bedrooms or unit size apply.

<u>Moderate Income:</u>		Interest	Maximum Price
		3.0%	\$369,225
		4.0%	\$336,069
Share of Income	30%	5.0%	\$306,951
Monthly Fees	\$60	6.0%	\$281,137
Monthly payment cannot exceed	\$1,800	7.0%	\$258,362

Note: While the mortgage rate for a particular project may be designated at a specific level when a project receives HIP approvals, mortgage rates typically fluctuate over time, and so the specific rate(s) utilized as the project is marketed may be subject to negotiation between the Project Developer and San Bernardino County.

## EXHIBIT D

### 2014 INCOME LEVELS FOR MODERATE HOUSEHOLDS

Median \$62,000

Moderate \$78,000

### MAXIMUM INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2014

#### Moderate Income:

Size		Size	
1	\$54,600	5	\$84,250
2	62,400	6	90,500
3	70,200	7	96,750
4	78,000	8	103,000

Revised 12/2/2014

Recording requested by  
County of San Bernardino, California

When recorded, mail to:

Clerk of the Board of Supervisors  
County of San Bernardino  
385 N. Arrowhead Avenue, 2nd Floor  
San Bernardino CA 92415-0130

Space above this line for Recorder's use

COUNTY OF SAN BERNARDINO

HOUSING INCENTIVES PROGRAM (HIP)  
DEVELOPER RENTAL AGREEMENT

This HOUSING INCENTIVES PROGRAM DEVELOPER RENTAL AGREEMENT ("HIP Rental Agreement"), dated as of \_\_\_\_\_, 20\_\_\_\_\_, between the County of San Bernardino (the "County"), a legal subdivision and body corporate and politic of the State of California and \_\_\_\_\_, a \_\_\_\_\_ organized under the laws of the state of \_\_\_\_\_ (the "Owner"),

WITNESSETH :

WHEREAS, California Government Code, Section 65915, et seq., requires that the County grant a density bonus and/or other incentive to any developer of housing who meets certain requirements set forth therein and agrees to construct at least (1) 20 percent of the total number of units permitted by the General Plan for a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (2) 10 percent of the total number of units permitted by the General Plan for a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code, or (3) 50 percent of the total dwelling units of a housing development for qualifying residents, as defined in Section 51.3 of the Civil Code, and

WHEREAS, California Code of Regulations, Title 25, Section 6910, et seq., contains regulations implementing the statute described above. The regulations contain various definitions, and contain a table of income limits for families of various sizes and income levels; and

WHEREAS, pursuant to the aforementioned statute and regulations, the County's Board of Supervisors has adopted a Housing Incentives Program (HIP) setting forth criteria for the granting of various incentives, including density bonuses.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this HIP Rental Agreement by the County and the Owner agree as follows:

ARTICLE I  
DEFINITIONS AND STRUCTURE

Section 1.1 Definitions. As used in this HIP Rental Agreement, the following terms shall have the following meanings.

Affordable Units. The units in the Project designated for sale to lower income households or seniors.

Maximum Affordable Rent. The Maximum Affordable Rent per month shall be equal to 1/12 of 30 percent of 60 percent of the median family income as established for the County in which the project is located, adjusted for household size, and as determined by the United States Department of Housing and Urban Development for lower income households, and 1/12th of 30 percent of 50 percent for very low income households. The applicable Maximum Affordable Rent is calculated and the schedule of is presented in Exhibit C.

Maximum Household Income. The term "maximum household income" is set forth in Exhibit C.

Building or Structure; Building. The term "Building or Structure" means a discrete edifice or other manmade construction consisting of an independent foundation, outer walls and roof. A single unit which is not an entire building but is merely a part of a building is not a Building or Structure within the meaning hereof. As such, single townhouses are not Buildings or Structures if their foundation, outer walls, and roof are not independent. Detached houses and row houses are Buildings or Structures. The term "Building" shall have the same meaning as the term "Building or Structure."

Lower-Income Household. "Lower income households" means persons and families as described in California Health and Safety Code, Section 50079.5.

Very low income households. "Very low income households" means persons and families as described in California Health and Safety Code, Section 50079.5.

Senior citizen. Senior citizen means a person 62 years of age or older, or 55 years or older in a senior citizen housing development, and as further defined in Section 51.3 of the Civil Code.

Program. The term "Program" means the Housing Incentives Program.

Project. The term "Project" means the multi-family rental housing located on the real property described in Exhibit A hereto.

Term of HIP Rental Agreement. This HIP Rental Agreement shall remain in effect until the owner has satisfied its obligation hereunder, but in no event shall the period of effectiveness extend beyond 50 years from the date first appearing above.

Section 1.2 Interpretation. Unless the context clearly requires otherwise, words of any gender shall be construed to include correlative words of the other genders, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. The HIP Rental Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by County. The County represents and warrants as follows:

(A) It (1) is a legal subdivision and body corporate and politic of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California; (2) has lawfully determined to adopt and implement the Program; (3) has full power and authority to execute and deliver this HIP Rental Agreement and to perform its obligations hereunder; and (4) by proper action has duly authorized the execution and delivery of this HIP Rental Agreement.

(B) The execution and delivery of this HIP Rental Agreement and the consummation of the transactions contemplated hereby do not conflict with or constitute a breach of or a default under the Constitution or other laws of the State of California or the terms and conditions of any agreement or commitment to which the County is a party or by which the County is bound.

Section 2.2 Representations and Warranties by Owner. The Owner represents and warrants as follows:

(A) It is duly organized, validly existing and in good standing under the laws of the State of its organization as set forth on the first page of the HIP Rental Agreement and has the power and authority to own its properties and carry on its business as now being conducted, and is duly qualified to do such business wherever such qualifications are required, including the State of California.

(B) It has the power to execute and deliver this HIP Rental Agreement and to carry out the transactions contemplated hereby and has duly authorized the execution, delivery and performance of this HIP Rental Agreement.

(C) Neither the execution or delivery of this HIP Rental Agreement nor the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions hereof conflicts with or results in a breach of any of the terms, conditions or provisions or any legal restriction of any agreement or instrument to which it is now a party or by which it is bound, or constitutes a default under any of the foregoing or violate any judgement, order, writ, injunction, decree, law, rule or regulation to which it is subject.

(D) It is knowledgeable and experienced in the construction and operation of multi-family rental housing facilities of the magnitude and nature it proposes to undertake in connection with the Project.

## ARTICLE III

### OWNER COVENANTS

Section 3.1 Covenants of Owner. The Owner covenants as follows:

(A) Owner is owner of certain real property located in the \_\_\_\_\_ the County of San Bernardino, described in Exhibit A.

(B) Owner proposes to construct \_\_\_\_\_ for-rent/lease units on the property described above. The County's General Plan permits the construction of \_\_\_\_\_ housing units on the property. Owner has requested a \_\_\_\_\_ percent bonus density. County agrees that Owner shall receive the requested bonus density and any other housing incentive set forth in the HIP as consideration for compliance with all terms of this HIP Rental Agreement.

(C) Owner agrees that \_\_\_\_\_ percent of the number of units permitted by the General Plan or \_\_\_\_\_ housing units of the proposed housing units in the Project shall be committed as affordable housing to \_\_\_\_\_ Income Households as provided below. Owner further agrees to comply with all applicable requirements of the above referenced statutes, regulations and the HIP.

(D) In accordance with this HIP Rental Agreement, Owner shall make available for rent (to low income or very low income households as defined herein) \_\_\_\_\_ of the housing units constructed for the project, per phase, at a rental price not exceeding the maximum rental price as defined in Section 1.1 herein. Affordable units shall be developed at the same time or prior to market rate units. No less than \_\_\_\_\_ of the total number of completed units of the Project shall be continuously occupied by (or held vacant and available for immediate occupancy by) qualified tenants. Affordable Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those available at market rates. This requirement shall apply to the Project for the term of the HIP Rental Agreement as defined in Section 1.1 herein. The annual household income for the \_\_\_\_\_ income group shall have a maximum as defined in Section 1.1. Owner shall sign a separate rental or lease agreement in form attached as Exhibit B with each renter or lessee of an Affordable Unit stating that the rental or lease is subject to County affordable restrictions on maximum rent and renter incomes.

(E) Owner shall not sell housing unit(s) committed as Affordable Units unless Owner and County of San Bernardino first enter into an HIP Sale Agreement relating to those Affordable Units. The County, at its discretion may execute, or refuse to execute a HIP Sale Agreement, and Owner shall have no recourse against County for such a refusal.

(F) Notwithstanding any other provision of this HIP Rental Agreement to the contrary, under no circumstances shall any of the following be eligible to purchase any of the units in the Project as a lower income or very low income buyer:

1. The Owner, independent Contractors of the Owner, and any management companies and sales/rental agencies retained by the Owner.
2. Employees or owners of any entity listed in 1. above.
3. Family members of any individual listed in 2, above. As used herein. The term "family member" means spouse, children, grandparents and parents.

(G) 1. For a period of \_\_\_\_\_ years following the date of final Project approval by the County, Owner shall commit \_\_\_\_\_ of the total number of housing units as Affordable Units for rent/lease to \_\_\_\_\_-Income households ("qualified tenants").

2. After a period of two years following the date of final Project approval by the County, in the event Owner is unable to contract with the required number of qualified tenants, Owner shall complete and document to the County the following:
  - a. Owner has advertised, over a sixty-day period, in an area newspaper of general circulation seeking qualified tenants not less than once per week.
  - b. Owner has contacted the Housing Authority of San Bernardino County requesting qualified tenants.
  - c. Listing of names and addresses of interested potential qualified tenants for the Affordable Units.

If at the end of the sixty-day period, sufficient qualified tenants are unavailable, Owner may rent to unqualified tenant(s). Each Affordable Unit which subsequently becomes vacant must be made available to qualified tenants for sixty days under Subsection (b). The process shall continue until the required number of Affordable Units are rented by qualified tenants.

(H) The Affordable Units shall be rented/leased only to \_\_\_\_\_-income households for a period of \_\_\_\_\_ years from date of this HIP Rental Agreement, as provided in Section 65915(c) of the Government Code. A restriction to this effect shall be set forth on the Deed of Trust for each Affordable Unit.

(I) Owner shall complete and document to the County for each Affordable Unit within 30 days of renting/leasing each unit the following:

1. A current copy of a signed HIP Rental Agreement for each Affordable Unit. The required HIP Rental Agreement form is attached and shall be renewed each year for each affordable housing unit.
2. Substantiating documentation that tenant is a qualified \_\_\_\_\_-income household. Such documentation may include, but is not limited to at least one of the following:
  - a. Copy of most recent Federal Income Tax statement
  - b. Copy of W-2 forms from current employer of qualified tenant
  - c. Copy of check stub of SSDI or other income sources
3. A declaration under penalty of perjury setting forth rental rates and tenant's qualifying income for all affordable housing units.

(J) If at yearly tenant income review tenant no longer qualifies to rent/lease the Affordable Unit, tenant's affordable housing unit designation shall be rescinded and the next available rental unit not already designated as an Affordable Unit shall be so designated and made available for rental to \_\_\_\_\_-income households.

(K) Owner shall promptly in writing notify County upon any transfer or sale of the Project and a new HIP Rental Agreement shall be executed by the new owner prior to the close of escrow. The Project shall remain subject to the requirements of this HIP Rental Agreement whether or not a new agreement is executed.

#### ARTICLE IV

##### AMENDMENT BY COUNTY

Section 4.1 Amendment by County. This HIP Rental Agreement is subject to the State Density Bonus Law (California Government Code Section 65915 et seq.) and all changes to such law shall, where necessary constitute an automatic amendment to this HIP Rental Agreement. Such automatic amendments include modifications to the maximum rental prices and/or maximum income levels by the State Department of Housing and Community Development (HCD).

#### ARTICLE V

##### PENALTIES FOR DEFAULT

Section 5.1 Default Defined: Penalties. If Owner violates restrictions or provisions contained in this HIP Rental Agreement, Owner shall pay to County five thousand dollars (\$5,000.00) for each and every such violation. "Violation" means the rental of an Affordable Unit at a rate in excess of that permitted hereunder and/or to a household having an income in excess of that permitted hereunder, provided that not more than one (1) violation shall be cited with regard to any individual non-qualifying rent level or tenant household, as to any particular Affordable Unit, in any one- (1) year period. County shall allocate any money collected pursuant to this Section for the provision of additional affordable housing including the administration and enforcement of the HIP program.

#### ARTICLE VI

##### OTHER MATTERS

Section 6.1 Recordation of Regulatory Agreement. This HIP Rental Agreement shall be recorded in the land records of the County, such recordation to be effected at the direction of the County.

Section 6.2 Execution in Counterparts. The HIP Rental Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, such counterparts shall constitute but one and the same instrument.

Section 6.3 Saturdays, Sundays and Holidays. If any action is required to be taken hereunder on a date which falls on a Saturday, Sunday or a holiday, such action shall be taken on the next succeeding business day.

Section 6.4 Entire Agreement. This HIP Rental Agreement shall be construed in accordance with the laws of the State of California. The Exhibits hereto are incorporated herein by this reference. This HIP Rental Agreement shall be construed in accordance with the laws of the State of California and constitutes the entire agreement between the parties and supercedes all prior negotiations, discussions, and preliminary understandings. This HIP Rental Agreement may be amended as the County and Owner mutually agree in writing. Any such amendment must be approved and signed by authorized representatives of the County and Owner.

Section 6.5 Notices. All notices, certificates or other communications shall be addressed as follows:

If to the County: Land Use Services Department  
Policy, Environmental and Mining Section  
385 N. Arrowhead Ave., 1<sup>ST</sup> Floor  
San Bernardino CA 92415-0182

If to the Owner: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The County and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notice, certificates or other communications shall be sent.

Section 6.6 Severability. In the event any provision of this HIP Rental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.7 Further Assurances and Corrective Instruments. To the extent permitted by law, the County and the Owner agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitation of the performance of this HIP Rental Agreement.

Section 6.8 Limited Liability.

(A) Nothing contained herein shall create or constitute a debt or indebtedness of the State or the County within the meaning of any provision or limitation of the Constitution or statutes of the State or shall create or constitute or give rise to a pecuniary liability of the State or the County or a charge against its general credit or taxing powers. No Supervisors or officer, agent or employee of the County shall be individually or personally liable for any obligation of the County hereunder; but nothing herein contained shall relieve any such Supervisor, officer, agent or employee from the performance of any official duty provided by law.

(B) Owner shall indemnify, defend and hold harmless the County, its officers, agents and employees for any and all claims, losses or legal actions arising from any and all of the actions or omissions of the Owner, its employees, agents or subcontractors pertaining to this HIP Rental Agreement.

Section 6.9 Waiver. No waiver of a breach of any provision of this HIP Rental Agreement shall constitute a waiver of any other breach or other provision. Failure of Owner or County to enforce at any time or from time to time, any provision in this HIP Rental Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be complete and additional to any other remedies in law or equity.

Section 6.10 Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and are not a part of this HIP Rental Agreement and shall not be used in the interpretation thereof.

Section 6.11 Breach. In the event Owner shall violate any provision of this HIP Rental Agreement, Owner shall reimburse County for all costs, including reasonable attorney's fees, to the extent provided by law, incurred by County in enforcing this HIP Rental Agreement or its rights hereunder.

IN WITNESS WHEREOF, the parties have caused this HIP Rental Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

[SEAL]

COUNTY OF SAN BERNARDINO

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED TO  
THE CHAIRMAN OF THE BOARD  
DENA SMITH  
Clerk of the Board of Supervisors  
of the County of San Bernardino

\_\_\_\_\_  
Deputy

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

[SEAL]

ATTEST:

(Owner)

\_\_\_\_\_

By: \_\_\_\_\_

**EXHIBIT A**  
**to HIP Rental Agreement**

Description of the real property  
on which the project is located  
(Include Assessor Parcel Number)

**EXHIBIT B**

**COUNTY OF SAN BERNARDINO  
HIP RENTAL AGREEMENT**

This rental housing unit is subject to the County of San Bernardino's affordable housing regulations. To comply with County regulations, this form must be completed and signed by both the Renter and Property Manager.

Property address: \_\_\_\_\_  
\_\_\_\_\_

This agreement is for Unit # \_\_\_\_\_ at the above property address.  
HIP contract #: \_\_\_\_\_

- 1. Tenant's gross income for 20\_\_\_\_: \$ \_\_\_\_\_
- 2. Number of persons in household: \_\_\_\_\_
- 3. Maximum allowable gross income pursuant to the definition of the term in Exhibit C of HIP Rental Agreement: \_\_\_\_\_
- 4. Number of bedrooms in apartment unit: \_\_\_\_\_
- 5. Monthly rent: \$ \_\_\_\_\_
- 6. Maximum allowable rent pursuant to the definition of the term "Affordable Rents" in the HIP Rental Agreement: \$ \_\_\_\_\_

Both manager and tenant attest under penalty of perjury that income and rent do not exceed maximums set forth above.

\_\_\_\_\_  
Manager's Name (please print)

( ) \_\_\_\_\_  
Manager's Phone Number

\_\_\_\_\_  
Manager (signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tenant's Name (please print)

\_\_\_\_\_  
Tenant (signature)

\_\_\_\_\_  
Date

## EXHIBIT C

### 2014 INCOME LEVELS FOR LOW AND VERY LOW HOUSEHOLDS

Median \$65,000      Lower \$53,600      Very Low \$33,500      Ext. Low \$20,100

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### Procedure for Computing Maximum Rents for the HIP Program

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Calculate the Maximum Rents using the following formulas:

Lower Income Monthly Rent      (Monthly Income x 30% X Adjustment for BR size)

Very Low Income Monthly Rent = (Monthly Income x 30% X Adjustment for BR size)

Lower Income\*      60%\* (In calculating maximum rents, the 30% affordability rate is applied to 60% of the median, rather than 80% for this income group.)

Rental Units      Bedrooms: 1, 2 & 3  
Households      HH Sizes: 1... 8

### MAXIMUM RENTAL RATES

The maximum rental rates for affordable units based on BR size are as follows:

Lower Income:		Very Low Income:	
1 - Bedroom	\$ 1,066	1 - Bedroom	\$ 666
2 - Bedroom	1,333	2 - Bedroom	833
3 - Bedroom	1,546	3 - Bedroom	966

OR

### RENTAL INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2014

Lower Income Rental Income Limit = (Median Income x .8 x Adjustment HH Size)

Very Low Income Rental Income Limit = (Median Income x .5 x Adjustment HH Size)

Extremely Low Income Rental Income Limit = (Median Income x .3 x Adjustment HH Size)

The maximum rental rates for affordable units based on HH size are as follows:

<b>Lower Income:</b>		<b>Very Low Income:</b>	
Size	Size	Size	Size
1 \$ 910	5 \$1,404	1 \$ 569	5 \$ 878
2 1,040	6 1,508	2 650	6 943
3 1,170	7 1,612	3 731	7 1,008
4 1,300	8 1,716	4 813	8 1,073

NOTE: The Maximum Allowable Rent rates to be used are those adjusted for household size. The rental rates adjusted for number of bedrooms has been provided as a reference for an "expected" or "appropriate" household to unit size estimate. Other sized households may eventually reside in the units.

Revised 12/2/2014

## EXHIBIT D

### 2014 INCOME LEVELS FOR LOW AND VERY LOW HOUSEHOLDS

Median \$65,000      Lower \$53,600      Very Low \$33,500      Ext. Low \$20,100

### MAXIMUM INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2014

#### Lower Income:

Size		Size	
1	\$36,400	5	\$56,200
2	41,600	6	63,650
3	46,800	7	65,500
4	52,000	8	68,650

#### Very Low Income:

Size		Size	
1	\$22,750	5	\$35,100
2	26,000	6	37,700
3	29,250	7	40,300
4	32,500	8	42,900

Revised 12/2/2014

## EXHIBIT C

### 2014 INCOME LEVELS FOR MODERATE INCOME HOUSEHOLDS

Median \$65,000

Moderate \$78,000

---

#### Procedure for Computing Maximum Rents for the HIP Program

---

Calculate the Maximum Rents using the following formulas:

Moderate Income Monthly Rent (Monthly Income x 30% X Adjustment for BR size)

Moderate Income\* 120%\* (In calculating maximum rents, the 30% affordability rate is applied to 120% of the median.)

Rental Units Bedrooms: 1, 2 & 3  
Households HH Sizes: 1... 8

#### MAXIMUM RENTAL RATES

The maximum rental rates for affordable units based on BR size are as follows:

Moderate Income:

1 - Bedroom	\$ 1,560
2 - Bedroom	1,950
3 - Bedroom	2,262

OR

#### RENTAL INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2008

Moderate Income Monthly Rent (Monthly Income x 30% X Adjustment for BR size)

The maximum rental rates for affordable units based on HH size are as follows:

Size		Size	
1	\$1,365	5	\$2,106
2	1,560	6	2,262
3	1,755	7	2,418
4	1,950	8	2,574

NOTE: The Maximum Allowable Rent rates to be used are those adjusted for household size. The rental rates adjusted for number of bedrooms has been provided as a reference for an "expected" or "appropriate" household to unit size estimate. Other sized households may eventually reside in the units.

Revised 12/2/2014

## EXHIBIT D

### 2014 INCOME LEVELS FOR MODERATE HOUSEHOLDS

Median \$65,000

Moderate \$78,000

### MAXIMUM INCOME LIMITS BY HOUSEHOLD SIZE; HIP 2014

Size		Size	
1	\$54,600	5	\$82,250
2	62,400	6	90,500
3	72,200	7	96,750
4	78,000	8	103,000

Revised 12/2/2014