



REQUEST FOR QUALIFICATIONS

PROGRAM ADMINISTRATION

FOR

FIRST-TIME HOMEBUYER DOWN

PAYMENT ASSISTANCE PROGRAM

Date Released: Thursday, October 22, 2026
Deadline for Questions: Monday, November 2, 2026
Submissions Due: Monday, November 30, 2026

CITY OF COVINA
Community Development Department – Special Projects Division
125 East College Street
Covina, California 91723
www.covinaca.gov

RFQ Contact – Questions
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Exhibits

Exhibit A – First Time Homebuyer Down Payment Assistance Program Guidelines

Exhibit B – Draft Program Application and Document Checklist

Section 1. Introduction & Background

INTRODUCTION. The City of Covina (“City”) is seeking qualified individuals and/or consulting firms, nonprofit organizations, or other qualified organizations (“Consultant”) that can demonstrate the ability to operate and manage the City’s First-Time Homebuyer Down Payment Assistance Program (“Program”). The Program will be funded by the City’s allotment of Permanent Local Housing Allocation Program funds (“PLHA”).

Following selection, the selected Consultant will work collaboratively with City Staff to review, refine, and finalize the program materials and develop any additional administrative procedures, forms, checklists, templates, or other documentation necessary for implementation and ongoing administration of the Program.

The selected Consultant will be responsible for providing comprehensive program administration services, including, but not limited to: initial Program outreach, serve as the point of contact for program related questions from the public, applicant eligibility review, loan processing, property eligibility review, PLHA loan approval, escrow coordination, funding, and post-purchase compliance monitoring. At the City’s option, the Consultant may also be requested to provide additional services related to pre-application intake, and preliminary eligibility review, subject to the Consultant’s proposed fees and the City’s authorization to proceed with such services.

The City is seeking a Consultant with demonstrated experience administering affordable housing, homeownership, down payment assistance, and/or other income-qualified housing programs, particularly programs funded through federal, State, County, or local affordable housing funding sources. Experience administering programs funded through the California Permanent Local Housing Allocation (“PLHA”) Program, HOME Investment Partnerships Program (“HOME”), Community Development Block Grant (“CDBG”), or similar programs is strongly preferred.

The Consultant must demonstrate the organizational capacity, staffing, technical knowledge, policies and procedures, systems, and experience necessary to effectively administer the Program in coordination with the City and in accordance with the Program Guidelines and all applicable federal, State, County, and City requirements.

The City intends to enter into an agreement with a qualified Consultant to provide ongoing Program administration services for the term established by the City. The selected Consultant will work closely with City staff and other parties involved in the Program, including applicants, lenders, real estate professionals, title and escrow companies, housing counseling agencies, and other governmental or community organizations.

The City anticipates entering an 18-month agreement with the selected Consultant or until funding is fully expended from Cycle 1, PLHA funding, whichever comes first. Performance will be reviewed annually, and continuation of services for the second and third years will be subject to availability of funding, City’s approval, satisfactory performance, and the terms of the Agreement.

The City anticipates that compensation for the Consultant's Program administration services and City staff costs shall not exceed twenty percent (20%) of the total Program funds allocated for Cycle 1, PLHA funding. For Cycle 1, the total PLHA Program funding allocation is \$1.09 million. Consultants may be requested to provide a detailed fee proposal identifying all anticipated costs associated with administration of the Program, including, as applicable, optional pre-application intake, and preliminary eligibility review as part of a subsequent solicitation in accordance with Section 5 of this RFQ.

BACKGROUND. The City of Covina has elected to utilize funding received through the Los Angeles County Permanent Local Housing Allocation ("PLHA") Program to support homeownership opportunities within the City.

Through the City's First-Time Homebuyer Down Payment Assistance Program, eligible first-time homebuyers may receive financial assistance toward the purchase of an eligible home located within the City of Covina. Program assistance is provided in the form of deferred-payment, no-interest loans of up to \$40,000 to assist eligible moderate-income persons and families with the purchase of a new or existing single-family residence, condominium, or townhome located within the City of Covina.

Program funds are limited, and eligible applicants will be selected through a randomized lottery process established and approved by the City. The City anticipate rewarding an average of 21 eligible moderate-income persons and families.

The City's First-Time Homebuyer Down Payment Assistance Program Guidelines, attached as **Exhibit A**, provide the proposed Program eligibility requirements, application and award procedures, loan terms, property requirements, closing procedures, and post-purchase compliance. Consultants are responsible for reviewing **Exhibit A** in its entirety and demonstrating in their proposals how they will incorporate the requirements of the Program Guidelines into their proposed approach to Program administration.

The City is seeking a Consultant that can provide the administrative infrastructure and expertise necessary to successfully implement and manage the Program from initial outreach and application through loan approval, escrow coordination, closing, funding, and document recordation. Following the completion of the Consultant's contracted services, the City anticipates assuming responsibilities for long-term monitoring of funded loans. The Consultant shall maintain files and records in a complete, organized, and audit-ready format.

PROGRAM FUNDING AND EXPENDITURE DEADLINE. Program funding is subject to applicable PLHA requirements, including a requirement that all grant funds be expended by June 30, 2029, though within calendar year 2027 is desired. The City is therefore seeking a Consultant that can promptly establish and implement the administrative processes necessary to begin accepting, processing, approving, and funding eligible applications and support the timely and compliant expenditure of available Program funds. Consultants should demonstrate their ability to efficiently administer the Program while maintaining appropriate controls to ensure compliance with all applicable Program requirements.

Section 2. Anticipated Responsibilities

SCOPE OF WORK AND DELIVERABLES. The Consultant shall provide comprehensive Program administration services. The responsibilities identified below are intended to describe the anticipated scope of work but are not necessarily exhaustive. The Consultant shall be responsible for identifying and performing all tasks reasonably necessary to successfully operate and administer the Program through loan closing and funding. The Consultant is encouraged to identify additional services, procedures, systems, or recommendations that they believe are necessary to successfully administer the Program.

2. 1. PROGRAM ADMINISTRATION AND COORDINATION WITH CITY OF COVINA

The Consultant shall:

- Develop, document and maintain administrative procedures necessary to operate the Program, subject to City review and approval.
- Become thoroughly familiar with the City's Program Guidelines and all applicable PLHA, HCD, County, Federal, State, and City requirements applicable to the Program.
- Establish and maintain appropriate Program files, records, tracking systems, and databases.
- Coordinate regularly with designated City staff regarding Program status, applications, funding, loan approvals, and other Program activities.
- Designate a qualified Program Manager who will serve as the primary point of contact for the City and the public and be responsible day-to-day coordination and management of the Program.
- Provide regular written reports to the City regarding Program activity, including applications received, applicants determined eligibility, lottery status, applications in process, loans approved, loans funded, and available Program funds, and other performance information requested by the City.
- Promptly notify the City of issues, deficiencies, potential compliance concerns, or circumstances that could affect Program funding or implementation.
- Recommend and, upon City approval, implement administrative procedures, forms, checklists, and other materials necessary for efficient Program administration.
- Maintain appropriate internal controls and quality assurance procedures to ensure Program requirements are consistently applied.
- Maintain sufficient staffing and organizational capacity to provide timely Program administration services throughout the term of the Agreement and promptly notify the City of any material staffing changes affecting Program administration.
- Participate in periodic meetings with City staff, including implementation, status, problem-solving, and performance review meetings, as reasonably requested by the City.
- Work with the City to establish the turnaround time for administration, including, as applicable, notification of missing documentation within X business days; full application review within X business days after receipt of a complete package; lender/property review within X business days; and final eligibility review within X business days.

- The Consultant is responsible for performing the underlying eligibility review and for ensuring that all eligibility determinations and recommendations are supported by the Program Guidelines and documentation maintained in the applicant's file. During the implementation and review period, the City may, in its discretion, modify the level and frequency of City review prior to applicant eligibility determination/award.

2.2 PROGRAM IMPLEMENTATION AND MATERIALS DEVELOPMENT

Following execution of the Agreement, the Consultant shall work collaboratively with City staff to review, refine, and finalize the City's First-Time Homebuyer Down Payment Assistance Program materials in preparation for program implementation. The Consultant shall assist the City in developing and/or finalizing, as applicable, administrative procedures, supporting documentation or application forms/materials, templates, and other materials reasonably necessary to implement and administer the Program.

The Consultant shall assist the City in identify any gaps, inconsistencies, or additional materials needed to effectively administer the Program and shall make recommendations to the City regarding appropriate revisions or additions. All final Program materials, administrative procedures, and forms shall be subject to City review and approval prior to implementation.

2.3 PROGRAM SCHEDULE AND FUNDING EXPENDITURE

The City is required to expend all applicable Program grant funds by June 30, 2029, subject to the requirements of the applicable funding source, though complete expenditure by December 31, 2027 is desired. The City anticipates rewarding an average of 21 grants. The Consultant shall structure and manage its Program administration activities to support the City's timely expenditure of available Program funds while maintaining full compliance with the Program Guidelines and all applicable requirements. The Consultant shall describe in its proposal how it will staff and manage the Program to support timely expenditure of available funds.

2.4 PROGRAM OUTREACH AND PUBLIC INFORMATION

The Consultant shall assist the City in publicizing the availability of Program funds and educating prospective applicants regarding Program requirements.

Services may include:

1. Responding to inquiries from prospective applicants.
2. Conducting informational meetings, workshops, or virtual sessions, as appropriate.
3. Coordinating with community organizations, housing counseling agencies, lenders, real estate professionals, and other organizations to administer and promote the Program.
4. Clearly communicating Program eligibility requirements, application procedures, deadlines, lottery status, and required documentation.
5. All public-facing materials shall be subject to City review and approval prior to distribution.

2.5 OPTIONAL PRE-APPLICATION INTAKE AND PRELIMINARY ELIGIBILITY REVIEW

At the City's option, the Consultant may be requested to assist the City in administering the Program's pre-application period. These services shall be performed only if authorized by the City. Consultants shall identify the fees associated with these services separately from the fees for required Program administration services. Optional services may include but not limited to reviewing pre-applications for completeness, notifying applicants of incomplete information or documentation, responding to applicant questions regarding the pre-application process and requirements, maintaining a complete record of all pre-applications received by the deadline, and notifying applicants regarding preliminary eligibility or ineligibility in accordance with City-approved procedure.

2.6 LOTTERY ADMINISTRATION

The Consultant may be requested to assist the City with maintaining the lottery selection order and communicating lottery results, status and next steps to applicants. The lottery and method for conducting the lottery shall be determined and conducted by the City.

2.7 FULL APPLICATION PROCESSING

For applicants selected from the lottery, the Consultant shall coordinate and administer the full application process, including but not limited to providing applicants with application instructions and required documentation, reviewing applications for completeness, establishing and maintaining application files, reviewing income and asset documentations for all applicable household members and other required documentation for eligibility verification, coordinating with lenders regarding required lender documentation, communicating deficiencies to applicants and/or lenders, and tracking outstanding items and deadlines. The Consultant shall establish procedures to ensure that incomplete applications are appropriately tracked and that applicants are provided with reasonable opportunities to cure deficiencies consistent with the Program Guidelines.

2.8 LENDER COORDINATION AND FIRST MORTGAGE REVIEW

The Consultant shall coordinate with participating lender to obtain any additional documentation or clarification necessary and review lender documentation submitted in connection with each applicant.

The Consultant shall review, as applicable:

- Purchase contract;
- Uniform Residential Loan Application (Form 1003);
- Loan approval letter and loan terms;
- Desktop Underwriter ("DU") or applicable underwriting summary;
- Credit report;
- Estimated closing statement;
- Appraisal;
- Home inspection;
- First mortgage loan terms;
- Realtor contact information;
- Title and escrow contact information; and
- Other documentation required by the City.

The Consultant shall verify that the proposed first mortgage satisfies Program requirements.

2.9 PROPERTY ELIGIBILITY AND REVIEW

The Consultant shall coordinate the property review process with City staff and other applicable parties. The Consultant shall review and confirm that required property conditions have been satisfied prior to loan approval and maintaining appropriate property documentation in the applicant file.

2.10 FINAL ELIGIBILITY REVIEW AND RE-CERTIFICATION

Prior to escrow and final loan approval, the Consultant shall perform a final eligibility review. At a minimum, the Consultant shall coordinate collection and review of updated applicant documentation required by the Program Guidelines, including the most current income, asset, and tax documentation. The Consultant shall verify and document any changes in household composition, income, assets, financing, property condition, or other circumstances that could affect applicants or property eligibility.

2.11 HOMEBUYER EDUCATION AND COUNSELING

The Consultant shall track compliance with the Program's homebuyer education requirement.

All applicants must complete the required First-Time Homebuyer education course prior to close of escrow, as specified in the Program Guidelines.

The Consultant shall:

- Provide applicants with information regarding the homebuyer education requirement.
- Maintain information regarding acceptable HUD-approved counseling agencies, as appropriate.
- Track completion of required homebuyer education.
- Obtain and maintain proof of completion in applicant's file.
- Confirm completion prior to final funding authorization.

2.12 LOAN APPROVAL, CLOSING AND FUNDING

The Consultant shall prepare or coordinate preparation of required loan approval documentation and loan documents, track required approvals and signatures, and provide the City with complete documentation supporting each loan approval recommendation.

The Consultant shall coordinate with applicants, lenders, title and escrow companies, and other applicable parties to facilitate timely closing of approved Program loans. The Consultant shall review applicable escrow and closing documents for consistency with the approved loan and Program requirements, coordinate resolution of outstanding conditions, and confirm that all required conditions to closing have been satisfied prior to funding authorization.

The Consultant shall maintain files and records in a complete, organized, and audit-ready format.

Section 3. Submittal Requirements

WORK PROPOSAL. The City is requesting **(1) hard copy** of the proposal, unbounded (loose. No hole punch, no binding, no staples. Removable clip is fine) **and (1) electronic copy** of the proposal in a flash drive, which must contain the following information:

1. Letter of Interest.

Introduce the organization and demonstrate your understanding of the nature of the RFQ and the reason for your interest in partnering with the City of Covina to administer the First-Time Homebuyer Down Payment Assistance Program.

2. Personnel.

Include the names and bios for key personnel proposed to be responsible for administering the Program. Identify the person who proposed to serve as the primary day-to-day Program Manager. The City is particularly interested in identifying the personnel who will be responsible for applicant eligibility review, income certification, loan processing, and coordination with lenders, escrow companies, and City staff. If the Consultant anticipates hiring locally for certain positions, please provide the job title and a brief job description for those roles.

3. Experience & References.

Briefly discuss Consultant's experience administering at least two relevant programs or projects of a similar size and scope (but not exceeding four), including the following:

- Name and location of the program;
- Funding source;
- Amount of program funding;
- Number of households assisted;
- Type of assistance provided;
- Consultant's responsibilities;
- Length of time administering the program;
- Calculating and verifying household income;
- Loan or assistance structure;
- Escrow and title coordination
- Lottery or other applicant selection process; and
- Current status of the program.

Describe the Consultant's experience administering deferred payment loans, down payment assistance loans, or similar affordable housing financing. The City strongly prefers organizations with experience administering PLHA, HOME, CDBG, or other federal, State, County, or locally funded affordable housing or homeownership programs.

Please provide a reference for each program or project (government entities preferred) who is familiar with the Consultant's ability to provide the services described in this RFQ. Please provide contact names, titles, and contact information (phone, email, or both, as appropriate).

4. Approach to Program Administration.

Describe in detail how the Consultant proposes to operate and manage the City's First-Time Homebuyer Down Payment Assistance Program with the expectation that

roughly 21 grants would be awarded. The response should demonstrate the Consultant's understanding of the complete applicant and loan lifecycle, including:

- Program outreach;
- Pre-application intake;
- Preliminary eligibility review;
- Lottery administration;
- Full application processing;
- Income and asset verification;
- First-time homebuyer verification;
- Lender coordination;
- Credit and first mortgage review;
- Property review;
- Final eligibility and income re-certification;
- Homebuyer education tracking;
- Loan approval;
- Loan document preparation and execution;
- Escrow coordination;
- Loan funding;
- Recording;
- Post-closing file completion and transition to the City; and
- Program reporting and recordkeeping.

Consultants should identify their proposed policies, procedures, technology, databases, quality control processes, and internal review procedures. Describe how the Consultant will ensure that applicants are treated consistently and equitably and that Program records are complete and audit-ready. Describe the proposed staffing structure and anticipated turnaround times for key Program administration activities, including application review, deficiency notifications, lender and property review, and final eligibility review.

As part of the proposed approach, describe how the organization would assist the City with reviewing, refining, and finalizing the existing Program Guidelines and related Program materials prior to launch. Identify any additional administrative procedures, forms, checklists, systems, or documentation that the organization anticipates will be necessary to successfully implement and administer the Program.

5. Technology, Recordkeeping and Reporting.

Describe the systems and technology the Consultant will use to administer and track the Program. Describe how the organization will track application status, eligibility determinations, loan processing, funding, and available Program funds.

6. Estimated Schedule.

The schedule should identify the anticipated timeframe for reviewing and finalizing Program materials, developing administrative procedures, establishing Program

systems, coordinating with City staff, preparing outreach and application materials, and launching the Program.

At a minimum, the schedule should identify:

- Kickoff meeting;
- Review of existing Program documents;
- Development/finalization of administrative procedures;
- Development of outreach materials;
- System setup;
- Staff orientation;
- Application intake preparation;
- Lottery preparation; and
- Program launch.

Section 4. Submittal Instructions

Submittal	One (1) hard copy and one (1) electronic copy on a flash drive in accordance with the submittal requirements noted in Section 3 Submission <u>shall</u> be date/time stamped in the City Clerk's Office.
Delivery to	Covina City Clerk's Office – Att: Alice Leung 125 E College St., Covina, CA 91723
Mark Envelopes	RFQ: First-Time Homebuyer Down Payment Assistance Program Administration Services – [name of organization]
Deadline	Monday, November 30, 2026, by 5:00 PM PST

Questions regarding this RFQ shall be submitted in writing by email to the City's designated point of contact, Alice Leung, Management Analyst, aleung@covinaca.gov no later than Monday, November 2, 2026. Questions received after the deadline may not be answered. Consultants may not communicate about this RFQ with City elected officials, Covina City staff, or any other individuals retained by the City to support this procurement, except through the designated point of contact for RFQ.

No oral, faxed, emailed, or telephonic proposals or alternatives will be considered. A submission may be withdrawn without prejudice upon hardcopy written request by the Consultant filing with the City Clerk's Office before the proposal submission deadline. A Consultant may resubmit a withdrawn proposal, including a revised proposal, provided the resubmission is received by the City Clerk's Office before the proposal submission deadline. Submission must remain valid and shall not be subject to withdrawal for 90 days after the deadline for submission of proposals.

Submissions received after the stated deadline will not be accepted. **The delivery time shall be definitively determined by the time-stamping clock located in the City Clerk's Office.** It is the Consultant's sole responsibility to see that its submission to the RFQ is received in proper time, and

that it assumes all risks arising out of the means of delivery. All accepted proposals shall become the property of the City and will not be returned to the Submitter.

Section 5. Evaluation Procedure and Selection Process

A review committee consisting of at least three (3) reviewers will evaluate each proposal based on the evaluation criteria identified in this RFQ. Each proposal will be evaluated based on the relevant qualifications and experience.

Criteria	Points
Letter of Interest	5
Personnel and Organizational Capacity	15
Experience and References	30
Approach to Program Administration	30
Technology, Recordkeeping and Reporting	10
Estimated Schedule	10
Total Points	100

Following completion of the RFQ process, the City may issue a subsequent solicitation to a minimum of three (3) qualified Consultants to request detailed technical and cost proposals. The City may identify a qualified Consultant that best meets the needs of the City and enter contract negotiations with the highest-ranked Consultant. Should the City fail to reach an agreement with the selected Consultant, the City may enter negotiations with another qualified Consultant, and so on. City Staff will make a recommendation to the City Council for the award of an Agreement to the selected Consultant that best furthers the City's objectives, if any. The City intends to complete the contract negotiations with the selected organization promptly so that the Consultant may commence work as soon as reasonably possible. In the event the selected Consultant is not already a vendor with the City of Covina, they will be asked to submit a 590 and a W-9 at the time of the preparation of an Agreement with the City.

Section 6. Terms and Conditions

6.1 AGREEMENT. The selected organization will be expected to execute an Agreement with the City and provide proof of insurance under the City's standard insurance requirements.

6.2 RIGHT TO REJECT PROPOSALS. The City reserves the right to accept or reject any/all proposals. The City also reserves the right to waive any informality or irregularity in any proposal or in the bidding as deemed to be in its best interest. Additionally, the City may, for any reason, decide not to award an agreement or cancel the RFQ process. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by the submission of the proposal. The City reserves the right to negotiate project deliverables and associated costs.

6.3 ADDENDA. Any revisions to this RFQ will be made as an addendum. The City will distribute addenda to all potential Consultants and post the addenda on the City's website. Organizations are responsible for the receipt of all addenda. To this end, each organization should submit a request via email to the point of contact to be notified of addenda issued, if any.

6.4 CITY OVERSIGHT AND APPROVAL. The Consultant will be responsible for day-to-day administration of the Program; however, the City will retain final authority over Program policy, applicant eligibility determinations when required, loan approvals, funding authorizations, exceptions or waivers, and other matters specifically reserved to the City.

The Consultant shall not represent that it has authority to bind the City unless such authority has been expressly provided in writing.

6.5 COMPLIANCE WITH APPLICABLE REQUIREMENTS. The Consultant shall comply with all applicable federal, State, County, and City laws, regulations, guidelines, funding requirements, and policies applicable to the Program.

The Consultant shall maintain sufficient knowledge of applicable requirements to properly administer the Program and shall promptly notify the City of material changes that may affect Program administration.

6.6 CONFIDENTIALITY AND RECORDS. The Consultant shall protect the confidentiality of applicant information and shall implement appropriate safeguards for personally identifiable information, financial information, credit information, tax documentation, and other sensitive records obtained in connection with the Program.

All Program records created or maintained by the Consultant in connection with the City's Program shall be maintained in accordance with the Agreement and applicable laws and shall be made available to the City upon request.

6.7 CONFLICT OF INTEREST. The Consultant and its employees, subcontractors, and agents shall comply with all applicable federal, State, County, and City conflict-of-interest requirements.

The Consultant shall promptly disclose any actual or potential conflict of interest related to administration of the Program.

The Consultant shall establish procedures to ensure that individuals who are prohibited from participating in the Program due to their role as a City employee, official, consultant, contractor, or other person involved in Program administration or decision-making, and applicable members of their household, are not improperly assisted through the Program.

6.8 NO GUARANTEE OF AWARD. Issuance of this RFQ does not obligate the City to award an Agreement. The City may determine that no Consultant is qualified or that it is in the City's best interest not to proceed with an award.

6.9 PROPOSAL EXPENSES. The City will not be responsible for any costs incurred by Consultants in preparing or submitting a response to this RFQ, participating in interviews, negotiating an Agreement, or otherwise responding to this solicitation.

Exhibit A

First Time Homebuyer Down Payment Assistance Program Guidelines



CITY OF COVINA FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM GUIDELINES

CITY OF COVINA

Community Development Department – Special Projects Division

125 East College Street

Covina, California 91723

www.covinaca.gov

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SECTION 1 – INTRODUCTION AND PROGRAM OVERVIEW

The City of Covina ("City") is pleased to announce the availability of financial assistance to help qualifying households achieve homeownership through the City's First-Time Homebuyer Down Payment Assistance Program ("Program"). The Program is funded through the County of Los Angeles' Permanent Local Housing Allocation (PLHA) Program, which was established by California Senate Bill 2, the Building Homes and Jobs Act of 2017, to provide a permanent source of funding for affordable housing activities throughout California.

The Los Angeles County Development Authority (LACDA), on behalf of the Los Angeles County, applied to the California Department of Housing and Community Development (HCD) for its annual allocation. This allocation includes funding for the LACDA to administer the program and for the Urban County Participating Cities to implement housing programs.

The goal of PLHA funding is to maximize the resources available to local jurisdictions to support the creation and preservation of affordable housing opportunities. Consistent with this objective, the City of Covina has elected to utilize its PLHA allocation to support homeownership opportunities through down payment assistance. The Program will provide deferred-payment, no-interest loans of up to \$40,000 to assist eligible moderate-income persons and families with the purchase of a new or existing single-family residence, condominium, or townhome located within the City of Covina. Program funds may be used toward down payment and eligible closing costs associated with the purchase of a home.

The City Loan is secured by a deed of trust recorded against the property and is subordinate to the homebuyer's primary mortgage loan used to purchase the home. No monthly loan payments are required, and the loan remains interest-free as long as the borrower occupies the home as their principal residence and complies with Program requirements. Repayment of the outstanding loan balance is deferred until the occurrence of certain events, including the sale, transfer, rental, non-owner occupancy, or refinancing for cash out of the property. Refinancing to obtain a lower interest rate and or shorter loan term may be permitted without triggering repayment, subject to Program requirements.

If the City Loan becomes due and payable before the expiration of the 45-year term due to an event requiring repayment under these Guidelines, the outstanding principal balance shall become due, together with simple interest at a rate of 1.5% per year. If the borrower remains in compliance with all Program requirements for the full 45-year term, the outstanding loan balance will be forgiven.

To be eligible for assistance, applicants must meet the income and eligibility requirements established by the Program and complete a homebuyer education and pre-purchase counseling course provided by a U.S. Department of Housing and Urban Development (HUD)-approved housing counseling agency. In addition, all properties must be located within the City limits and satisfy applicable property conditions, building, health, and safety requirements.

Program funding is limited and qualified applicants will be selected through a lottery process, subject to the availability of funds.

SECTION 2 – ELGIBILITY AND QUALIFICATION REQUIREMENTS

1. First time homebuyer
2. Pre-qualification for a First Mortgage Loan from a local lender.
3. Principal Residence: The home must be occupied by the owner as the owner's principal place of residence for the loan term of 45 years. Annual documentation may be requested to verify meeting this requirement.
4. Final Re-certification: Prior to opening escrow, all applicants must agree to undergo a final re-certification process to ensure continued eligibility for the First Time Homebuyer's Program. The re-certification process will require copies of the following up-to-date documents:
 - a. The most current three pay stubs
 - b. The most current three bank statements, and
 - c. The most current Federal and State Income Tax Forms
5. Credit-Worthiness
The applicant(s) must provide a credit report, and the report will be analyzed for consistency with the loan application as well as for complete credit account information from the credit reporting agency, and all applicants shall have a minimum credit score of 600 and at least one applicant must have a credit score above 720.
6. Must obtain a fixed-rate first mortgage ("First Mortgage Loan"). Co-signers and variable rate loans shall not qualify for Program funding.
7. Homebuyer Education Requirement. All applicants must complete, prior to the close of escrow, and 8-hour First Time Homebuyer Program that is offered online or buy a HUD-approved First Time Homebuyer training organization. Proof of completion is required to receive funding of the loan.
8. Eligible Income Criteria:
Total household annual income, meaning all individuals residing at the residential property as their primary residence must be between eighty percent (80%) and one hundred fifty percent (150%) of the County area median income. Eligible household

income limits effective **September 2026**, are enumerated in Table 1, below, and are subject to change annually. Both minimum and maximum income limits will be applied based on household size.

Table 1. Program Income Limits¹

Household Size	Minimum	Maximum
1	\$93,300	\$113,475
2	\$106,600	\$129,750
3	\$119,950	\$145,950
4	\$133,250	\$162,150
5	\$143,900	\$175,125
6	\$154,600	\$188,100
7	\$165,250	\$201,075
8	\$175,900	\$214,050

Household income shall include income from assets in accordance with applicable federal and State requirements. For purposes of Program income eligibility, where applicable, income attributable to net family assets shall be calculated using the methodology established in the Program application materials and applicable regulations.

9. Applicants must contribute a minimum of two percent (2%) of the purchase price toward the down payment.
10. Applicant and/or Lender submits a complete Program application packet to the City of Covina for review and pre-approval with all required documents and forms pursuant to the Document Checklist contained in these Guidelines. Additional documents may be required by the City as part of the City Loan approval process.
11. Applicant submits a Lender Packet which includes:
 - a. Purchase Contract between the applicant and seller of the residential property;
 - b. 1003 Application;
 - c. Loan Approval letter with terms;
 - d. DU Summary;
 - e. Copy of the Borrower's credit report;
 - f. Estimated Closing Statement;
 - g. Copy of appraisal and home inspection (to be provided when available); and Realtor and Title & Escrow company contact information.

¹ County Area Median Income is determined on a yearly basis, qualifying income limits are subject to change.

12. Applicants schedule an inspection of the residential property to be conducted by City staff to determine whether there are any Building Code or Health and Safety Code violations
13. Conflict of Interest. Applicants must not be subject to applicable conflicts of interest under federal, State, County, or City requirements. Persons who are restricted from participating in the Program due to their role as a City employee, official, consultant, contractor, or other person involved in the administration or decision-making of the Program, and applicable members of their household, shall not be eligible for Program assistance, as determined by the City.

SECTION 3 – LOAN APPROVAL AND CLOSE OF ESCROW

Applicants are responsible for submitting a complete application and all required supporting documentation. Incomplete applications will not be accepted and may delay the review and approval process. If an applicant fails to provide requested information or completed documentation/application within 10 calendar days of the City's request, the application may be deemed incomplete, and the applicant may be disqualified from the Program.

If the applicant demonstrates eligibility for the Program, submits a complete application, and the residential property satisfies all applicable Program requirements, including any required City inspections, the City will issue a conditional loan approval. The conditional approval is subject to the applicant's completion of the required Homebuyer Education and Counseling course and the execution of all documents required by the City, including, but not limited to, the Loan Agreement, Promissory Note, Deed of Trust, all of which shall be recorded against the residential property, as applicable.

The City reserves the right to require the execution of any additional documents or agreements necessary to administer the Program and to effectuate the terms and conditions of the City Loan.

The applicant, lender, escrow officer, or real estate agent shall notify the City of the anticipated close of escrow no fewer than **ten (10) business days** before the scheduled closing date. Failure to provide timely notice may delay the disbursement of City Loan funds or the close of escrow.

SECTION 4 – APPLICATION AND AWARD PROCESS

Step 1.	Notice of Funding Availability and Pre-Application Period The City will announce the availability of funding and establish a pre-application period. Interested households must submit a completed pre-
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	application and any required preliminary documentation by the deadline established by the City. Pre-applications received after the deadline will not be accepted.
Step 2.	Preliminary Eligibility Review Each pre-application received by deadline will be reviewed to determine whether the applicant meets the Program's basic eligibility requirements. Applicants determined to be preliminarily eligible ("pre-qualified") will be entered into a randomized lottery. Applicants who do not meet the minimum eligibility requirements will be notified that they are not eligible to participate in the lottery.
Step 3.	Lottery Selection The City will conduct a randomized lottery of all pre-qualified applicants. Applicants will be assigned a lottery number based on the order drawn. The lottery order will establish the sequence in which applicants are invited to proceed with the Program as funding becomes available. The City will maintain the lottery list until available Program funds have been committed or the list has expired, as determined by the City.
Step 4.	Submission of Full Application Applicants selected from the lottery will be invited to submit a complete Program application and all required supporting documentation, including lender documentation, within the timeframe established by the City. Failure to submit a complete application and all required documentation by the specified deadline may result in removal from the lottery list and the City may proceed to the next eligible applicant.
Step 5.	Property Review and Final Eligibility Verification There will be a final review of the applicant's eligibility, including income recertification, verification of available funds, review of the first mortgage loan terms, and inspection of the property to confirm compliance with applicable Program requirements and property standards.
Step 6.	Conditional Loan Approval If all Program requirements have been satisfied, the City will issue conditional loan approval. The applicant must show proof of completion of an 8-hour Homebuyer Education and Counseling course, execute all required loan documents, including the Loan Agreement, Promissory Note, Deed of Trust, Affordability Covenant, and any additional documents required by the City.
Step 7.	Close of Escrow and Loan Funding

	The applicant, lender, escrow officer, or real estate agent shall notify the City of the anticipated close of escrow at least ten (10) business days before the scheduled closing date. Upon satisfaction of all Program requirements and execution of the required loan documents, the City will authorize disbursement of Program funds through escrow for the purchase of the home.
Step 8.	Post-Purchase Compliance Following the close of escrow, borrowers must continue to comply with all Program requirements throughout the affordability period, including occupying the home as their principal residence. The City may require periodic documentation to verify continued compliance with Program requirements.

SECTION 5 – DEFINITIONS

1. **APPLICANT:** Any person or Household who applies for loan assistance. An Applicant must include each Borrower and their respective spouses and other Household members who wish to go on title to the assisted property.
2. **ANNUAL INCOME:** Means all income defined in 24 Code of Federal Regulations (CFR), Part 5, Section 5.609. Generally, include the gross amount of all income for all adult household members that is anticipated to be received during the coming twelve (12) months, as defined in The Department of Housing and Urban Development’s Technical Guide for Determining Income and Allowances. All income derived from any source, including income from wages (gross pay), overtime, pensions, veteran’s compensation, bonuses, public assistance, alimony, net rental income, dividends and interest, etc. must be included.
3. **AREA MEDIAN INCOME** of “AMI” means the most recent applicable county median family income published by the U.S. Department of Housing and Urban Development (HUD)., available at the following link: <https://www.hcd.ca.gov/funding/income-limits>
4. **FIRST-TIME HOMEBUYER:** The applicant must be a first-time homebuyer (an individual or an individual and his, her, or their spouse, if applicable, with no ownership interest in, or who has not held “title” to residential property. Exceptions to First-Time Homebuyer status: Displaced Homemaker(s); Single Parent(s) who, while married, owned a home with her/her spouse or resided in a home owned by a spouse; persons who owned, as a principal residence, factory built housing (manufactured or mobile- home) that is not permanently affixed to a permanent foundation.

5. GROSS INCOME: The anticipated income of a person or household for the twelve (12)-month period following the date income is determined, as defined in California Code of Regulations (CCR), Title 25, Section 6914, including all income required to be included under applicable State regulations and excluding income specifically excluded under those regulations.
6. HOMEBUYER COUNSELING: Housing Counseling is a service that is provided by a HUD approved Housing Counseling Agency. For a list of HUD-approved facilitators, please visit HUD's web site at <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm> to search for a Housing Counseling Agency near you. You may also visit HUD's web site at www.hud.gov.
7. HOUSEHOLD: One or more persons occupying the same housing unit (except foster children, unborn children and children being pursued for legal custody or adoption that are not currently living with the household).
8. PRINCIPAL RESIDENCE: A Principal Residence refers to a dwelling where the Borrower maintains or will maintain their permanent place of abode, and which the Borrower typically occupies or will occupy for the majority of the calendar year.
9. SINGLE-FAMILY: A single unit providing complete, independent living facilities for one family, including permanent provisions for living, sleeping, eating, cooking, and sanitation, and existing as a separate interest of real property, such as a detached single-family dwelling or a townhouse.

Exhibit B

Draft Program Application and Document Checklist

SECTION 6 – PRELIMINARY APPLICATION



CITY OF COVINA FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

PRELIMINARY APPLICATION

To complete this application, the applicant must completely fill in all required information, and provide required signatures by (TIME), (DATE). Please call [administrator/consultant's name and contact #] for further information or email [administrator/consultant's email]. When complete, please return a hard-copy application and attachments to:

Attention: [administrator/consultant's name and address]
City of Covina
125 E College Street
Covina, CA 91723

APPLICANT INFORMATION:

Applicant Full Legal Name (First, Middle, Last): _____

Email Address: _____ Phone: _____

Address: _____

Co-Applicant Name (First, Middle, Last): _____

Email Address: _____ Phone: _____

Address (if different from Applicant): _____

How many years have you resided in the City of Covina? _____

HOUSEHOLD INCOME:

Total number of people who live in the household (including yourself): _____

NAME	RELATIONSHIP	DOB	AGE	GENDER	SOURCE OF INCOME	MONTHLY INCOME
	(Self)			☐ F ☐ M		
				☐ F ☐ M		
				☐ F ☐ M		
				☐ F ☐ M		
				☐ F ☐ M		
				☐ F ☐ M		
TOTAL GROSS MONTHLY HOUSEHOLD INCOME:						\$

MISC. QUESTIONNAIRE:

1.	Have you or your co-applicant owned or appeared on title to a residential property?	☐ Yes ☐ No
2.	As a 1 st Time Homebuyer, do you and or your co-applicant have a minimum fund of 2% of the sales price for down payment?	☐ Yes ☐ No
3.	Do you and or your co-applicant have the required closing costs to close escrow?	☐ Yes ☐ No
4.	Do you plan to buy a home in the City of Covina?	☐ Yes ☐ No
5.	Do you have any conflict of interest? To be eligible for the Program, applicants must not be a restricted person or have a restricted person in their immediate family. A restricted person includes any city employee, officer, member, elected or appointed official, consultant, or contractor who has exercised or currently exercises any role, function, or responsibility in the City Loan Program, or who has influenced or participated in policy discussions, decision-making, or implementation of the Program. The following are presumptively determined to be a restricted source: • The Director, Deputy Directors, and section managers of Special Projects Division and Community Development Department; • Members of the City Council and their staff. This restriction applies during city service and for one year after separation. If a restricted person, or their spouse, domestic partner, or dependent applies for, is considered, or receives a City Loan, the application or loan will be immediately void.	☐ Yes ☐ No
6.	Have you identified a potential home to be purchased? If so, what is the address? _____ Purchase Price of Home \$ _____ No. of Bed _____ No. of Bath _____	☐ Yes ☐ No

CERTIFICATION OF APPLICANT:

I hereby certify that I have read and understand the *Guidelines* to **FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM**.

I hereby certify that the information I have provided in this pre-application is true and accurate. I understand that my having provided any false information will result in my application being canceled or denied. I understand that I will be required to verify the information I have provided here, and will be required to complete a full application if approved for the next stage in the application process.

Print Name (Applicant)

Applicant Signature

Date

Print Name (Co-Applicant)

Co-Applicant Signature

Date

FOR OFFICE STAFF USE ONLY:

Preliminary qualified? ☐ Yes ☐ No

If no, provide justification:

REVIEWED BY:

Print Name

Signature

Date

SECTION 7 – APPLICATION PACKET & FORMS



CITY OF COVINA FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

APPLICATION CHECKLIST

For an application to be considered, the following documents must be submitted at the time of application submission. Please use this checklist to ensure all applicable items are included with your application. Incomplete submittals will not be accepted.

Please attach copies of all pages of personal documents, original documents will not be returned. The City is not responsible for original documents.

Application Documents (originals required):		
1.	☐	Completed Application
2.	☐	Signed – Photography Permission Form
3.	☐	Signed – Credit Information Disclosure Authorization
4.	☐	[Form A]
5.	☐	[Form B]
6.	☐	[Form C]
7.	☐	Signed – No Bank Account of Tax Filed Certification (if applicable)
Personal Documents (copies only):		
8.	☐	Picture identification for all adult (18 years +) household members
9.	☐	Copies of the last three (3) years Federal Income Tax Returns with W-2 for all household members
10.	☐	Copies of three (3) most recent payroll check stubs for all employed household members
11.	☐	Copies of the last three (3) months checking account statements (<i>For all accounts and all pages</i>)
12.	☐	Copies of the last three (3) months saving account statements (<i>For all accounts and all pages</i>)

13.	☐	Copies of checks of statements for all members of the household for all other income documentation, such as: a) Social Security, SSI benefits statements b) Retirement or Pension statements c) Disability d) Child Support / Alimony e) CalWorks (AFDC, Welfare)
14.	☐	Any other documentation required by the City in order to complete the loan approval process.
15.	☐	Pre-purchase certification evidencing attendance at an eight-hour homeownership training from HUD approved counseling agency (prior to close of escrow).
16.	☐	Pre-approval letter and a copy of the credit report from the applicant's First Mortgage lender (if applicable at time of application submission)



CITY OF COVINA
FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

APPLICATION

APPLICANT PERSONAL INFORMATION:

Applicant Full Legal Name (First, Middle, Last): _____

Email Address: _____ Phone: _____

Occupation: _____ No. of years ins same line of work: _____

Co-Applicant Name (First, Middle, Last): _____

Email Address: _____ Phone: _____

Occupation: _____ No. of years ins same line of work: _____

RACE AND ETHNICITY INFORMATION

Federal funding agencies require the collection of ethnicity and race data to track Fair Housing performance. This information will not be used to determine eligibility for the program.

Racial Background:

Mark X next to the category that best describes your origin.

Single Categories

- ☐ American Indian/Alaska Native
☐ Asian
☐ Black/African American
☐ Native Hawaiian/Other Pacific Islander
☐ White

Ethnic Background

Mark X next to the category that best describes your ethnicity.

- ☐ No, not Spanish/Hispanic/Latino
☐ Yes, Mexican, Mexican Am., Chicano
☐ Yes, Puerto Rican
☐ Yes, Cuban
☐ Yes, other Spanish/Hispanic/Latino

Double Categories

- ☐ American Indian or Alaska Native AND White
☐ Asian AND White
☐ Black or African American AND White
☐ American Indian or Alaska Native AND Black or African American
☐ Other – for individuals not identified above

Household Information – Check one

- ☐ A female heads the household where this client resides.
☐ A male heads the household where this client resides

HOUSEHOLD COMPOSITION INFORMATION

Please provide the following information for all individuals who will use the residential property to be purchased as their primary residence. (Attach another sheet if more space is needed.)

Name	Current Address	SSN:	Age:	Relationship to Applicant(s):

HOUSEHOLD INCOME INFORMATION

Gross income is the combined household income which includes, but is not limited to, job earnings, Social Security and Social Services income (for all in household), TANF, VA benefits, unemployment income, military pay, worker's compensation payments, child support, alimony/maintenance payments, income from pensions or retirement plans, stocks, etc. Failure to report household income is considered fraud and can have serious consequences. Please list all sources for individuals who will be occupying the purchased home as their primary residence.

Source of Income Before Taxes (Monthly)	Applicant	Name: _____	Name: _____	Name: _____	Name: _____	Name: _____	Name: _____
a. Wages	\$	\$	\$	\$	\$	\$	\$
b. Self-Employment	\$	\$	\$	\$	\$	\$	\$
c. Social Security	\$	\$	\$	\$	\$	\$	\$
d. Disability	\$	\$	\$	\$	\$	\$	\$
e. Retirement/Pension	\$	\$	\$	\$	\$	\$	\$
f. Child Support/Alimony	\$	\$	\$	\$	\$	\$	\$
g. Other (describe below)	\$	\$	\$	\$	\$	\$	\$
Total Monthly Income	\$	\$	\$	\$	\$	\$	\$

x 12 = Total Annual Income	\$	\$	\$	\$	\$	\$	\$
h. Annual Income from Assets* (from Table below)	\$						
i. 10% of Net Family Assets ** (from Table below)	\$						
Total Annual Combined Income	\$						

HOUSEHOLD ASSET INFORMATION

If applicant has net family assets in excess of \$5000, the greater of the following shall be included as part of the applicant's income for purposes of determining household income: (i) the actual amount of income, if any, derived from all of the net family assets; or (ii) 10% of the value of the net family assets. As used herein, "net family assets" means the value of equity in real property other than the household's full-time residence, savings, stocks, bonds and other forms of capital investment; the value of necessary items such as furniture and automobiles are not included.

Source	Annual Income	Source	Annual Income
Savings Accounts	\$	Checking Accounts	\$
CD's	\$	Money Market	\$
Stocks/Bonds	\$	Trust Funds	\$
IRA	\$*	401k / 403b	\$*
Total Cash Value of All Assets	\$	Total Annual Income from All Assets	\$ (*add to Income Table – Box i)
10% of Total Cash Value over \$5000		\$ (**add to Income Table - Box J)	

*Annual income from retirement funds to be considered only if an annual income is generated from the fund.

HOUSEHOLD FINANCIAL OBLIGATIONS:

Please identify the debts of adult individuals (18 years and older) who will make the residential property their primary residence. List the creditor's name, address, account number, monthly payment amount, number of payments left on the account, and unpaid balance for all outstanding debts, including automobile loans, revolving charge accounts, such as all credit cards, real estate loans, alimony, child support, stock pledges, etc. This information may be provided on a combined basis by both married and unmarried persons if the accounts are jointly held. (Attach another sheet if more space is needed.)

Name of Household Member	Creditor's Name	Monthly Payment	Unpaid Balance
Total			

APPLICANT CERTIFICATION & CONSENT TO RELEASE INFORMATION

All Applicants certify the information contained within this application is true to the best of their knowledge. I understand that the City of Covina will confirm the information provided herein and retain the application whether or not the loan is approved. I hereby authorize the City of Covina to verify my credit status and any of the foregoing information as a condition of this loan application.

I (we) understand that false, inaccurate, or incomplete information in the foregoing application shall be considered cause for me to be disqualified from participation in the City of Covina's First Time Homebuyer Assistance Program, and I/we must immediately notify the City of any change in my/our income or household size prior to closing for reverification. I/We authorize the release of this information whether the signature below is original or a copy.

Applicant Name (Print)	Signature	Date
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Co-Applicant Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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Name (Print)	Signature	Date
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CITY OF COVINA
FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

PHOTOGRAPHY PERMISSION FORM

I, the undersigned, hereby grant permission to the CITY OF COVINA, including the Community Development Commission of the County of Los Angeles, the Housing Authority of the County of Los Angeles, the County of Los Angeles, and their officers, employees and agents (collectively the “County”) to use and/or publish for the agency and County purposes the photographs of the persons, properties, and facilities described herein.

I, the undersigned, hereby hold harmless and specifically waive and release the Agency and County from any and all claims, now or in the future, that may arise out of the Agency and County’s use and/or publication of the photographs described herein.

Name of Person Granting Permission

Address

Telephone Number

Signature

Date

CITY OF COVINA
FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

CREDIT INFORMATION DISCLOSURE AUTHORIZATION

I/We hereby authorize you to release to the City of Covina for verification purposes, information concerning:

- Employment history: dates, title, income, hours worked, etc;
- Checking and savings account records;
- Mortgage loan information including open date, high credit, payment;
- Amount, due date, loan balance, interest rate, and payment record.
- Credit History: balance, payment history, etc.

The above reports are for confidential use in compiling information regarding a real estate loan requested by the applicant(s) signing this form.

A photographic or carbon copy of this authorization (being a photographic or carbon copy of the signature(s) of the undersigned) may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt attention to this matter will help to expedite the real estate loan application.

Applicant Signature

Date

Co-Applicant Signature

Date

CITY OF COVINA
FIRST-TIME HOMEBUYER DOWN PAYMENT ASSISTANCE PROGRAM

No Bank Account or Tax Filed Certification

INSTRUCTIONS: For household members/tenants with no bank accounts or did not file taxes, this certification must be completed by each household members (if applicable):

I, _____, do hereby certify under penalty of perjury the
(Print Full Name)

the following (Please check applicable statements):

- ☐ I do not have a bank account.
- ☐ I did not file income taxes for _____.

(Recent Tax Year)

I understand that false statements or information are punishable under Federal Law.

Signature

Date

[Additional Program Application and forms will be inserted here once developed and incorporated into the Program Guidelines prior to Program implementation.]

DRAFT