

**San Pasqual Band of Mission Indians**  
**San Pasqual Housing & Community Development**  
**Private Home Ownership Program Policies and Procedures Manual**

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**Private Home Ownership Program Policy Overview**

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**I. Introduction**

- A.** This Private Home Ownership Program Overview Policy (PHOP) of the San Pasqual Band of Mission Indians, implemented through the San Pasqual Housing and Community Development (SPH&CD), sets forth the policies and procedures to be used by the SPH&CD for admissions to and continued occupancy of homebuyers in the Private Home Ownership Program. This policy is subject to the Indian Civil Rights Act (Title II of the Civil Rights Act of 1968, 25 U.S.C. 1301-03) which provides among other things, that no Indian tribe in exercising powers of self-government shall deny due process or the equal protection of its laws to any person within its jurisdiction.
- B.** This policy sets forth the procedures to be used by the SPH&CD in administration of the Private Home Ownership Program. This policy will be posted prominently in the SPH&CD office for examination by prospective homebuyers.

**II. Definitions**

- A. “CSA”** means the Contract of Sales Agreement between the San Pasqual Band of Mission Indians SPH&CD and the owner(s)/lessee(s)
- B. “VEPA”** means the voluntary equity payment account set up by the homeowner(s)/lessee(s).
- C. “Family”** means (1) two or more persons who are related by blood, marriage, or operation of law and have evidenced a family type relationship (including members temporarily absent) and whose income and resources are available for use in meeting the living expenses of the group; (2) an elderly or near-elderly family, (3) a disabled or handicapped family, and (4) a single person. Temporary custody of a minor does not count towards family size.
- D. “Head of Household”** means a family member who is held responsible and accountable for the family.

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## Private Home Ownership Program Policy Overview

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- E. **“Homebuyer/Lessee”** means a member or members of an income eligible family who have a CSA or lease with the SPH&CD.
- F. **“Required Monthly Payment”** is the monthly payment a homebuyer/lessee must pay during the term of his/her CSA.

### III. Appraisal Process

- A. Each dwelling in the PHOP will go through the appraisal process as outlined in the Appraisal Policy and Procedures. (See Appraisal Policy for further details)

### IV. Notice of Sale

- A. A Notice of sale shall be posted in the SPH&CD office lobby, advertised in the Tribal newspaper, at the Tribal office and on the SPH&CD web page, 30 days prior to applications being accepted.
- B. The Notice of Sale shall contain the requirements for the application process including the details of the Preference Point Policy and closing date of the application process, the details of the dwelling being sold, and the asking price.
  - 1. All Notice of Sales shall be maintained by the SPH&CD along with appropriate documentation of how the public was notified.

### V. Application Process

- A. **Eligibility for Application Process.** To be eligible for admission to the PHOP the applicant must:
  - 1. Be an income/credit-qualified family. An applicant’s adjusted annual income will be taken into consideration when applying for the PHOP.
  - 2. Be a Tribal Member or a direct descendent. SPH&CD will not provide admission of non-Indian applicants to the PHOP. Applicants will be required to submit proof of Indian status sufficient to the SPH&CD.
  - 3. Neither the applicant nor any member of the household, was a resident of record or member of the household in a SPH&CD’s and/or Tribe program and left the program with an unpaid balance unless such unpaid balance has been repaid and at least one year has passed since repayment;

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## Private Home Ownership Program Policy Overview

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4. Provide all information requested by SPH&CD, including Social Security Numbers for all members of the household, plus employer identification numbers for each working family member;
  5. Sign all required forms, including consent for disclosure of information and consent for walkthrough of current residence.
  6. Demonstrate the ability to meet homebuyer's obligations. A family shall not be eligible for the PHOP unless, in addition to meeting the income requirements and other admission requirements, the family is able and willing to meet all obligations, including the obligation to make the Regular Monthly Payment, pay utilities and for the unit, maintain the dwelling in a suitable living condition, and consent to annual inspections.
  7. Demonstrate that the family will not be detrimental to the project or its residents.
- B.** Families who wish to be considered for selection for the PHOP program shall apply specifically for such housing. A family on any other SPH&CD waiting list, or a tenant in a rental project of the SPH&CD, must also submit an application for selection in order to be considered for the PHOP program.
- C.** The applicant must fill out and submit all required forms and disclosures prior to the application closing date as posted in the Notice of Sale. Failure to submit by deadline date will result in not allowing applicant to participate in the selection process.

### **VI. Application Process: Verification of Information, Notification and Re-Examination**

#### **A. Verification**

1. SPH&CD shall obtain and verify information with respect to each applicant. Information relative to the acceptance or rejection of an applicant will be documented and placed in the applicant's file.
2. As a condition of admission to, or continued occupancy of, any unit, the SPH&CD will require the family head household, and other such family members as designated, to execute a Release and Consent form authorizing any depository or private source of income, or any federal,

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## Private Home Ownership Program Policy Overview

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state or local agency, to furnish or release to the SPH&CD, such information as the SPH&CD determines to be necessary. The SPH&CD shall also require the family to submit directly the documentation determined to be necessary. Information or documentation will be determined to be necessary if it is required for verifying related information. The use or disclosure of information obtained from a family or from another source pursuant to this Release and Consent will be limited to purposes directly connected with the administration of this policy.

3. Complete and accurate verification records consisting of, but not limited to the following are to be maintained:
  - a. Signed letters or other statements from employers and other pertinent sources giving authoritative information concerning all amounts of income (i.e. tax returns,);
  - b. Copies of documents in the applicant's possession which substantiate his/her statements, or a brief summary of the pertinent content of such documents, signed and dated by the staff member who viewed them;
  - c. Certified statements from self-employed persons, seasonal workers, and for per capita payments if income tax returns are not available;
  - d. Memoranda of verification data obtained by personal interview, telephone, or other means, with source, date reviewed, and the person receiving the information clearly indicated;
  - e. In order to determine the effect an applicant's conduct would likely have on a project or its residents, documentation is to include letters and reports of interviews or telephone conversations with reliable sources (including the applicant during a home visit), such as current and previous landlord, employer, social worker, parole officer, court records, drug treatment centers, clinics, physicians and police departments. These reports shall include the date, source of information, name and title of person contacted and a resume of the information shall include, but not be limited to the following:
    1. Time, nature and extent of the applicant's habits and practices in regards to:

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## Private Home Ownership Program Policy Overview

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- i. past performance in meeting financial obligations, especially rent;
  - ii. disturbance of neighbors;
  - iii. destruction of property;
  - iv. living or housekeeping habits;
  - v. history of criminal activity involving crimes of physical violence to persons or property within the last 10 years;
  - vi. other acts which would adversely affect the health, safety or welfare of other residents.
2. Factors which indicate a probability of favorable future conduct or financial prospects, such as:
  - i. evidence of rehabilitation;
  - ii. evidence of willingness to participate in appropriate counseling service programs, and availability thereof.

### **VII. Award Process**

**A.** In selecting families, it shall be the policy of the SPH&CD to make resident selections as outlined below:

1. Preference criteria as outlined in the Preference Point Policy section of this manual.

#### **B. Selection Criteria**

1. The selection criteria to be established and information to be considered will be reasonably related to the applicant's attributes and behavior and not related to a particular group or category of persons to which the applicant may be affiliated with or a member of. The SPH&CD's homebuyer selection criteria shall be in accordance with the established selection formula outlined in the Preference Point Policy section of this manual.
2. As a condition for selection as a homebuyer, the family must agree to use the home as their principle residence during the term of the CSA. The acquisition of ownership of another home or failure to continue to use the PHOP home as the principle residence shall constitute grounds for termination of the CSA. Years of occupancy for principle residence shall be delineated in the CSA.

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## Private Home Ownership Program Policy Overview

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3. The SPH&CD shall not select any applicant for the program if it is determined during the application verification process that the applicant family:
    - a. Does not have the ability to meet homebuyer obligations, including the obligation to perform or provide required unit maintenance, to make his/her Regular Monthly Payment, and its his/her utilities;
    - b. Has a history of conduct, which would be detrimental to the program or its residents;
    - c. Has previously abandoned a unit operated by the SPH&CD or another housing authority;
    - d. Owes debts incurred from prior occupancy of a unit at the SPH&CD or any other housing authority;
    - e. Has been previously evicted for noncompliance with the provisions of a PHOP.
  4. Selections will be made dependent upon the Preference Point Policy. In the case of two or more families having equal preference, the date and time of application shall determine which family is selected.
  5. In the event of any unfavorable information regarding an applicant, such as drug convictions, illegal manufacture, sale, distribution, or use of a controlled substance the SPH&CD must take into consideration the time, nature, and extent of the past occurrence and reasonable probability of future favorable performance.
- C. Notification to Selected Applicant(s).** When a determination has been made that an applicant is eligible and satisfies all requirements for admission, including the homebuyer selection criteria, the applicant will be notified, in writing, of the approximate date of occupancy insofar as that date can be reasonably determined.
- D. Notification to Applicant(s) Not Meeting Admission Requirements or Not Selected.** If an applicant is determined to be ineligible for admission to a project or is not selected, the SPH&CD will promptly notify the applicant of such determination. The notice must state the basis for the determination and shall state that the applicant is entitled to an informal hearing by the SPH&CD on the determination if requested within 10 days from receipt of

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## Private Home Ownership Program Policy Overview

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the notice. Applicant shall be responsible for the administrative costs associated with the informal hearing. Shall the applicant not like the outcome of the informal hearing, the applicant may request an independent review of the award process at the applicants expense. Independent Reviewer will be chosen from a list of approved vendors by the SPH&CD

### **VIII. Lease Process**

- A. Upon selection of applicant(s) and prior to a Contract Sales Agreement (CSA) being executed, the applicant(s) selected will enter into a one-year lease agreement with the SPH&CD.
- B. The lease agreement will roll into a CSA if the resident complies with all PHOP polices as outlined in the lease agreement and the PHOP manual.
- C. The maintenance of the dwelling will be the responsibility of the SPH&CD for the lease term as outlined in the “PHOP Rehabilitation/Maintenance Policy.”
- D. Shall the SPH&CD need to exercise their right to collections, termination of lease agreement or eviction, the policies outline in the “PHOP Collections and Evictions Policies” in this manual shall be followed.

### **IX. Contract Sales Agreement**

- A. Upon end of lease agreement, a CSA shall be entered into by the SPH&CD and the applicant(s).
- B. The Policy and Procedures outlined in the “PHOP Contract Sales Agreement Policy” shall be adhered to.

### **X. Contract Sales Agreement Process: Determination Of Homebuyer’s Payments in the PHOP Program**

- A. The amount of the Required Monthly Payment for a homebuyer in the PHOP shall be established by the SPH&CD based on the fair market value of the unit and the number of periods in the payment plan (i.e. 15 years CSA, 30 years CSA). The SPH&CD will be required to obtain an appraisal for the unit. See Appraisal Policy for specific guidance.

#### **B. Establishment of Monthly Payments**

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## **Private Home Ownership Program Policy Overview**

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1. Each homebuyer shall be required to make a Required Monthly Payment.
2. Required monthly payment will be based on the CSA terms and follow the PHOP Homebuyers Payment Policy in this manual.
3. An Administrative Fee will be charged monthly in accordance with the established PHOP Administrative Fee policy

### **C. Utilities**

1. The homebuyer will be responsible for the furnishing and payment of utilities for the home; provided, however, that if SPH&CD determines that a homebuyer is unable to pay for the utilities and that this inability creates conditions hazardous to life, health or safety of the occupants or threatens immediate, serious damage to the property, the SPH&CD may pay for the utilities and charge the homebuyer's VEPA for doing so.
2. When the homebuyer's VEPA has been exhausted, the SPH&CD may pursue termination of the homebuyer's agreement.

### **D. Insurance Before Transfer of Ownership, Repair or Rebuilding**

1. The homeowner/lessee shall carry all insurance, including fire and extended coverage insurance upon the home. The monthly-required payment will include the insurance premium in addition to the payment/rent as outlined in the CSA. The SPH&CD will remit the insurance premium to the insurance company annually.

### **E. Adjustments to Required Monthly Payment**

1. The Homebuyer may choose to pay off the outstanding balance prior to the end of the CSA.
2. The homeowner must notify the SPH&CD in writing that they plan on paying off the CSA and request the final payoff amount. There will not be a pre-payment penalty.
3. The SPH&CD shall respond to the Homeowner in writing via certified return receipt within 15 business days of receipt of request with the final payoff amount. The final payoff amount will be good for 30 days.
4. The Homeowner must make the final payment in a money order or cashier's check to the SPH&CD.

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## Private Home Ownership Program Policy Overview

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### **F. Change in Income**

1. The change in a family's income may affect its right to occupancy after the CSA is executed. If it becomes evident that a family's income is inadequate to meet its obligations, the SPH&CD may counsel the family about other housing options. Inability of the family to meet its obligations under the CSA is grounds for termination of the CSA.

## **XI. Collections, Termination and Evictions**

### **A. Termination Upon Breach**

1. In the event the homebuyer fails to comply with any of the obligations under the PHOP or CSA, the SPH&CD may terminate the CSA by written notice to the homebuyer, enforced by eviction procedures as outlined in the "PHOP Evictions and Collections Policy." Foreclosure is an appropriate method for enforcing termination of the PHOP, which constitutes a lease (with option to purchase). The homebuyer is a lessee during the lease of the PHOP and acquires no equitable interest in the home until the CSA is executed.
2. Misrepresentation or withholding of material information in applying for admission and family composition constitutes a breach of the homebuyer's obligations under the PHOP. "Termination," as used in the PHOP, does not include acquisition of ownership by the homebuyer.

### **B. Notice of Termination of PHOP by SPH&CD, Right of Homebuyer to Respond.**

Termination of the CSA by the SPH&CD for any reason shall be accompanied by written notice to the homebuyer. Such notice shall be in compliance with the terms of the CSA and the PHOP Evictions and Collections Policy and Procedure in this manual. In all cases, the homebuyer shall be afforded a fair and reasonable opportunity to respond. Procedures for such response shall comply with the Indian Civil Rights Act, if applicable, and shall incorporate all of the steps and provisions needed to comply with applicable tribal, federal, state or local law, with the least possible delay. (See "PHOP Collection and Eviction Policy.")

### **C. Termination by Homebuyer.** The homebuyer may terminate the lease during the lease period by giving the SPH&CD written notice in accordance

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## Private Home Ownership Program Policy Overview

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with the CSA. If the homebuyer vacates the home without notice to the SPH&CD, the homebuyer shall remain subject to the obligations of the CSA, including the obligation to make monthly payments, until the SPH&CD terminates the CSA in writing. Notice of termination shall be communicated by the SPH&CD to the homebuyer to the extent feasible and the termination shall be effective on the date stated in the notice. The notice shall be sent via certified mail.

**D. Disposition of Funds Upon Termination of the CSA.** If the CSA is terminated, the balances in the homebuyer's accounts and reserves shall be disposed of as follows:

1. The VEPA shall be charged with (a) any maintenance and replacement costs incurred by the SPH&CD to prepare the home for the next occupant; (b) any amounts the homebuyer owes the SPH&CD, including Required Monthly Payments; (c) the Required Monthly Payment for the period the home is vacant, not to exceed thirty (30) days from the date of receipt of the notice of termination, or if the homebuyer vacated the home without notice to the SPH&CD; and (d) the cost of securing a vacant unit, the cost of notification and associated termination tasks, including inspection fees and the cost of storage and/or disposition of personal property.
2. If, after making the charges in accordance with D.1, of this section, there is a debit balance remaining, the homebuyer shall be required to pay the SPH&CD the amount in excess.

**E.** If, after assessing the charges in accordance with paragraphs D.1 and D.2 above, there is a credit balance in the VEPA, this amount shall be retained by the SPH&CD.

**F. Settlement Upon Termination**

1. **Time for Settlement.** Settlement with the homebuyer following a termination will be made as promptly as possible after all charges provided in paragraph D. of this section have been determined and the SPH&CD has given the homebuyer a statement of such charges. The homebuyer may obtain settlement before determination of the actual cost of any maintenance required to put the home in satisfactory condition for the next occupant, if the homebuyer is willing to accept

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## Private Home Ownership Program Policy Overview

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the SPH&CD's estimate of the amount of such cost. In such cases, the amounts to be charged for maintenance shall be based on the SPH&CD's estimated cost thereof.

2. **Disposition of Personal Property.** Upon termination, the SPH&CD may dispose of any item of personal property abandoned by the homebuyer in the home, in a lawful manner deemed suitable by SPH&CD. Proceeds, if any, from such disposition will be applied to the payment of amounts owed by the homebuyer to the SPH&CD.

### **G. Responsibility of SPH&CD to Terminate**

1. The SPH&CD is responsible for taking appropriate action with respect to any noncompliance with the PHOP by the homebuyer. In cases of noncompliance that are not corrected as provided further in this section, it is the responsibility of the SPH&CD to terminate the PHOP in accordance with the provisions of this section and to institute eviction proceedings against the occupant(s) per the SPH&CD's "Collection and Eviction Policy".
2. As promptly as possible after noncompliance comes to the attention of the SPH&CD, the SPH&CD will discuss the matter with the homebuyer and give the homebuyer an opportunity to identify any extenuating circumstances or complaints which may exist. A Notice of Violation Action (NOVA) will be issued to the homebuyer by certified mail may be agreed upon that will specify how the homebuyer will come into compliance, as well as any actions by the SPH&CD that may be appropriate. This plan must be in writing and signed by both parties.
3. Compliance with the plan shall be checked by the SPH&CD not later than thirty (30) days from the date thereof. In the event of refusal by the homebuyer to agree to such a plan or failure by the homebuyer to comply with the plan, the SPH&CD will issue a notice of termination of the CSA and evict the homebuyer in accordance with the provisions of this section and the SPH&CD PHOP Collection and Eviction Policy on the basis of noncompliance with the PHOP and CSA.
4. A record of the meetings with the homebuyer, written plans of action agreed upon and all other related steps taken in accordance with subsection F shall be maintained by the SPH&CD.

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## Private Home Ownership Program Policy Overview

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**H. Subsequent Use of Unit.** After termination of a homebuyer's interest in the unit, it remains as part of the PHOP. The SPH&CD must follow its policy for selection of a subsequent homebuyer for the unit under the PHOP.

### XII. Occupancy Standards

**A.** To avoid overcrowding and prevent waste of space, proposed or suggested occupancy standards are as follows:

NUMBER OF BEDROOMS	NUMBER OF PERSONS	
	MINIMUM	MAXIMUM
2	2	5
3	3	6
4	4	8

**B. Exceptions:**

1. Single parent families requiring an additional bedroom are not reflected in the above schedule.
2. Three (3) bedroom dwellings may be given to a family the size of two (2) persons with the anticipation of future increase of family size. Four (4) bedroom dwellings may be given to a family of two (2) or more persons with anticipation of future increase in the size of the family after occupancy.

### XIII. Maintenance

**A.** The "PHOP Rehabilitation/Maintenance Policy" in this manual shall be followed for the maintenance of the dwelling.

### XIV. Lineal Descendant(s)/Successorship

**A.** The "PHOP Direct Descendant(s) and Successorship Policy" in the manual shall be followed when related to direct descendant(s)/successor(s) issues.

### XV. Miscellaneous

**A. Annual Statement to Homebuyer.** The SPH&CD shall provide an annual statement to the homebuyer that sets forth the credit and debits to the

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## Private Home Ownership Program Policy Overview

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homebuyer equity accounts (VEPA) during the year and the balance in the account at the end of the fiscal year. The statement shall also set forth the remaining balance of the purchase price.

- B. Notices.** Any notices by the SPH&CD to the homebuyer required under the PHOP or by law shall be delivered in writing to the homebuyer personally or to an adult member of the homebuyer's family residing in the home, or shall be sent by certified mail, return receipt requested, properly addressed, postage prepaid. Notice to the SPH&CD shall be in writing and either delivered to a SPH&CD employee at the office of the SPH&CD, or sent to the SPH&CD by certified mail, return receipt requested, properly addressed, postage prepaid.
- C. Counseling Homebuyers.** The SPH&CD shall provide counseling to homebuyers to develop a full understanding by homebuyers of their financial and social responsibilities as participants in the PHOP program. Each homebuyer shall be required to participate in all official counseling activities, and failure, without good cause, to participate in the program constitutes a breach of the PHOP.

### XVI. Conflict of Interest

- A.** No person who participates in the decision-making process under this policy or who gains inside information in regards to PHOP assisted activities may obtain a personal or financial interest or benefit from such activities. Such person includes anyone with an interest in any contract, subcontract or agreement or proceeds there under, either for themselves or others with whom they have business or immediate family ties. Immediate family members include mother, father, spouse, child, sister, brother, aunt, and uncle.
- B.** Any person with interest in a PHOP activity as described above must disclose his/her interest in writing and such disclosure must be entered into the minutes of the SPH&CD Committee and the person shall not participate in any action by the SPH&CD relating to the activity of interest.
- C.** The conflict of interest provision does not apply to instances where a person who might otherwise be included under the conflict provision is

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## **Private Home Ownership Program Policy Overview**

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PHOP eligible and is selected for housing in accordance with SPH&CD written policies.