



## PRE-APPLICATION CHECKLIST BREAKWATER VILLAGE AFFORDABLE UNITS CITY OF REDONDO BEACH

This Pre-Application Checklist (Checklist) is a preliminary self-qualification tool. The Checklist is only to be used as a guide for a potential applicant to determine if they may be eligible to purchase an Affordable Unit that is subject to the requirements imposed by the City of Redondo Beach (City) Affordable Housing Program.

This Pre-Application Checklist does not establish, expressly or by implication, that a potential applicant will be eligible for, or will be approved for, the purchase of an Affordable Unit. The applicant will be required to submit a significant amount of documentary evidence to the mortgage lender and the City during the formal underwriting process.

Capitalized terms used in this Checklist are defined in the Agreement Containing Covenants, Restrictions and Option to Purchase (Covenants Agreement). Copies of the Covenants Agreement are available at the City offices.

### PROPERTY INFORMATION

What is the address of the property you would like to purchase?

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Number of Bedrooms in the Unit \_\_\_\_\_

Income Restriction Imposed on the Unit (circle one)      Moderate      Low

### PROGRAM ELIGIBILITY

#### Primary Residence

Do you intend to make the Affordable Unit your primary residence?      Yes / No

**If the answer to this question is NO, then you are not eligible to purchase an Affordable Unit.**

## Household Eligibility

How many persons will be residing in the Affordable Unit? \_\_\_\_\_

What are the ages of each person who will be residing in the Affordable Unit? \_\_\_\_\_

What is the relationship between the persons who will be residing in the Affordable Unit? \_\_\_\_\_

**At least one member of the household must be at least 55 years old. Other household members may be under the age of 55 if they are a spouse or domestic partner, a qualifying healthcare provider or a qualifying disabled child or grandchild. If any member of the household does not meet this criteria then you are not eligible to purchase an Affordable Unit.**

## Income Eligibility

What is your total Gross Income for the preceding 12 months?

A. For the purposes of this Checklist, Gross Income means ALL income from whatever source from ALL persons who will reside in the Affordable Unit. \_\_\_\_\_

B. If the household has assets in excess of \$5,000, the value of those assets must be multiplied times 10% and then added to the income generated by earnings.

Value of Assets \$ \_\_\_\_\_ x 10% = \_\_\_\_\_

Total Sum of A + B \_\_\_\_\_

Based on the number of persons that will be residing in the Affordable Unit, is your Gross Income less than the maximum allowable income limit presented in the following chart? Yes / No

Maximum Gross Household Income  
(2022)

Household Size	Low Income Unit
1	\$66,750
2	\$76,250
3	\$85,800

If the answer to this question is NO, then you are not eligible to purchase an Affordable Unit.

## KEY REQUIREMENTS

### Resale Controls

Do you understand that the that the Affordable Unit is subject to long-term resale controls? This means that the Affordable Unit can only be resold to a Low or a Moderate Income Household, as pertinent, at the Affordable Sales Price in effect at the time of the resale.

Yes / No

If the answer to this question is NO, then you should request clarification from the City before proceeding with the application process.

Do you understand that you will not be able to transfer the ownership of the Affordable Unit without first receiving approval from the City?

Yes / No

If the answer to this question is NO, then you should request clarification from the City before proceeding with the application process.

### Refinancing Controls

Do you understand that limits are placed on refinancing the first trust deed mortgage? Specifically, the refinancing amount cannot exceed the principal balance owed on the mortgage, plus customary refinancing fees. You cannot receive any cash from the refinancing proceeds.

Yes / No

If the answer to this question is NO, then you should request clarification from the City before proceeding with the application process.

If you believe that you meet the basic program requirements, the next step is to submit the completed Checklist to the seller of the unit. If the seller wishes to have you considered for participation in the City's program, the seller will provide you with an Application to complete. The completed Application, plus a significant amount of documentary evidence, must then be submitted to the City's Housing Supervisor. This submission will be evaluated by the City's housing consultant who will then make a recommendation for a preliminary approval or denial to the City.