

Attachment A



**Residential Rehabilitation Grant
Program
Program Guidelines**

FISCAL YEAR 25/26

I. Program Overview

A. Purpose, Goal, and Objective of Program

The purpose of this Residential Rehabilitation Program is to eliminate substandard housing conditions; preserve decent, safe, and sanitary housing; correct allowed building and health code violations, and improve accessibility for persons with disabilities through the awarding of grants to low- and moderate income qualified single-family, owner-occupied households in the City of Monrovia.

The goal of the Residential Rehabilitation Program is to provide grants for eligible construction costs not-to-exceed \$25,000 for necessary housing rehabilitation repairs. This amount may be increased on a case-by-case basis, subject to approval by the City Council and/or their designee.

The program objective is to assist eligible low- and moderate-income (LMI) residential owner-occupants in maintaining the City of Monrovia' existing housing stock by means of providing funding for housing rehabilitation repairs.

B. Source of Funds and Relationship with Grantor

The source of funds for the Residential Rehabilitation Program is the Los Angeles County Community Development Authority (LACDA), which acts as an agent for and is the recipient of the Federal Government's Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. These funds are targeted to benefit low- and moderate-income persons and to prevent or eliminate slums and blight.

As a disbursing agent of these funds, the LACDA has subcontracted with the City of Monrovia to provide administrative services for housing repair activities. As such, the City is responsible for marketing the Program, processing and packaging all repair grants it obtains for the Program, performing on-site inspections, and acting as a quality agent relative to Program activity. The City is obligated to fulfill the terms and conditions of its contract with the LACDA, established LACDA policies and procedures, and Federal and local rules and regulations.

C. Types of Assistance Available

Assistance shall be available to eligible homeowners in the form of a grant up-to \$25,000 per qualified household.

D. Funding Availability

The Program is administered based primarily on the prioritization levels outlined below, and secondarily on a first-come, first-served basis within each prioritization level, subject to funding availability. The Program is not intended to function as an emergency service, as all applicable HUD and federal requirements must be met prior to the obligation or expenditure of funds.

Prioritization Levels

1. Essential Repairs (Health & Safety / Code Compliance)

Repairs necessary to correct conditions that pose an immediate threat to occupant health or safety or to address serious code deficiencies, including but not limited to:

- Roof replacement or failure resulting in active leaks or structural risk
- Inoperable or failed heating systems
- Plumbing failures affecting potable water, sewer service, or sanitation
- Electrical hazards, including exposed wiring or fire risks
- Gas line repairs posing safety concerns
- Mold or moisture conditions affecting health and safety
- Rodent or pest infestations presenting health hazards
- Accessibility improvements for persons with disabilities
- Fire and life-safety corrections, including smoke detectors, carbon monoxide detectors, and egress deficiencies
- Other conditions necessary to address immediate health or safety risks

2. Necessary Repairs (Preventive / Code-Related)

Repairs required to prevent deterioration or future health and safety concerns, including but not limited to:

- Roof repairs extending remaining useful life
- Structural repairs not posing immediate danger
- Weatherization improvements, including insulation, air sealing, and window or door repair
- Plumbing or electrical repairs addressing deterioration
- Abatement of non-health and safety code violations
- Exterior siding, fascia, or soffit repairs
- Drainage improvements to prevent water intrusion
- Minor foundation stabilization
- Replacement of deteriorated windows or doors

3. Recommended Repairs

Repairs that improve habitability, functionality, or long-term housing quality, but are not critical to immediate health or safety, including but not limited to:

- Interior or exterior painting
- Flooring repair or replacement
- Cabinet repair or replacement
- Minor drywall or plaster repair
- Fixture replacement (plumbing or lighting)
- Exterior improvements that preserve the housing structure

Once a project's prioritization level is established, services will be provided in the order in which applications are received within that prioritization level.

The City and its program representatives reserve the right to modify service levels as necessary to maintain compliance with applicable requirements and available funding.

II. Applicant Eligibility Requirements

A. Income Eligibility Standards Based on Total Persons in Household

Participation in the Residential Rehabilitation Program is limited to applicants whose annual household income does not exceed the HUD-established income limits. These income limits provide a criterion for eligibility based on the total amount of annual household income adjusted for household size. The City will require documentation of both household size and household income information in order to determine applicant eligibility.

1. DEFINITION OF HOUSEHOLD: For the purposes of determining Program eligibility, "household" means a person or persons occupying a housing unit as the principal place of residence.
2. ANNUAL INCOME DEFINITION: Annual Income shall be defined as the total income received from all sources by an individual or a family, including the head of household, spouse, and each additional member of the household who has earned or recouped income during a 12-month period to their application for services.

B. Income Eligible for Review

The income reviewed should include, but not be limited to, the following:

1.	Income from wages, salaries, tips etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services.
2.	Business Income	The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3.	Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4.	Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14).
5.	Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6.	Welfare Assistance	<p>Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: <p>the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.</p>

7.	Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8.	Armed Forces Income	All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

C. Income Exempt from Review

The calculation of annual income shall not include the following:

1.	Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2.	Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3.	Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5).
4.	Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5.	Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR5.403).
6.	Income from a Disabled Member	Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)).
7.	Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8.	"Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9.	Self-Sufficiency Program Income	<ol style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local

		employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.
10.	Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11.	Reparation Payments	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12.	Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13.	Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14.	Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15.	Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16.	Home Care Assistance	Amounts paid by a state agency to a family with a member who has developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17.	Other Federal Exclusions	<p>Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that include assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> ➤ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands; ➤ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs; ➤ Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); ➤ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the <u>In Re Agent Orange</u> product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ➤ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments; ➤ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs

		<p>incurred for such care) under the Child Care and Development Block Grant Act of 1990;</p> <ul style="list-style-type: none"> ➤ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps). ➤ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation; ➤ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990; ➤ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran; ➤ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and ➤ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.
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Income determinations are subject to the submission and verification requirements of the City of Monrovia and are subject to change based on the programmatic requirements of the Community Development Grant Program (CDBG), and/or the Los Angeles Urban County CDBG Program.

C. Property Ownership

The applicant(s) must be the current owner(s) of the property and live on the property to be rehabilitated in order to be eligible for Program assistance. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity who holds title to the property being rehabilitated. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The City will verify property ownership and require all persons currently on the title to give written consent to all work proposed to be done on the property prior to initiating such work.

D. Other Documentation Required

The applicant(s) must also submit the following documents in order to determine eligibility:

1. Undergo the Eligibility Intake Phase to determine minimum eligibility;
2. City Application, including: General Qualifications and Conditions form, signed copy of confirmation, and receipt form;
3. Copy of Federal Income Tax Forms for the prior year;
4. Copy of recent Utility bill;
5. Copy of recent Property Tax bill;
6. Copy of Recorded Grant Deed or Deed of Trust;

7. Copy of income verification documentation: This includes, but is not necessarily limited to, three months of the most recent payroll check stubs, Social Security checks, Social Security SSI checks, AFDC checks, or pension for the property;
8. Copy of asset verification documentation: This includes, but is not necessarily limited to, three months of the most recent statements for all bank accounts, investment accounts, or other asset holdings for all members of the household;
9. Copy of current proof of insurance policy for the property;
10. Copy of identification with photograph (i.e., driver's license, passport, etc.); and
11. Citizenship/Legal Status Declaration Form (All Household Occupants), and any necessary supporting documentation.

E. Re-Application Period

In order to give as many persons as possible the opportunity to participate in the Residential Rehabilitation Program, any applicant(s) who have participated in the program are not permitted to participate again for a 2-year period from completion of the prior rehabilitation, unless no other qualified applicants are awaiting assistance under the program.

III. Property Eligibility Requirements

A. Target Areas Eligible Under the Program

To be eligible for the Residential Rehabilitation Program, the property to be repaired must be constructed and be used for residential purposes, as well as being located within the city limits of the City of Monrovia.

B. Minimum Property Rehabilitation Standards

All work performed under the Residential Rehabilitation Program shall meet all applicable standards contained in the City's adopted Zoning Ordinance, local building and safety codes, the Uniform Building Code, and such other codes as designated by the Community Development Department.

C. Eligible Structures

Buildings or structures eligible for rehabilitation under this Program are owner-occupied detached single-family dwellings. The applicant must permit interior inspections of the property by City staff and consultants.

To be eligible, the dwelling must serve as the primary residence of income-eligible occupants receiving a benefit through the Program, and for five years thereafter.

D. Rehabilitation Needs Which Warrant Priority Repair

For each eligible property, the following health and safety items and code violations will be given priority for rehabilitation and must be considered prior to all other home repairs:

1. Roof;
2. Foundation;
3. Electrical Wiring;
4. Plumbing;
5. Heating/Cooling System;
6. Termite/Rodent elimination; and
7. The elimination of specific conditions detrimental to public health and safety, which have been identified by the City.

E. Eligible and Ineligible Repair

Repairs that may be eligible through the Residential Rehabilitation Program are:

1. Correction/Abatement of Building Code Violations;
2. Repair of hazardous electrical, plumbing, etc.
3. Improvement of accessibility for disabled persons
4. Repair/replace doors, windows, screens
5. Exterior painting
6. Roof and/or siding repair/replacement
7. Termite/rodent elimination
8. Any other items deemed eligible by City and LACDA

The following improvements are not eligible through the Home Improvement Program.

1. Addition and alterations
2. Reimbursement for an owner's personal labor;
3. Appliances (except built-in stove, cook top, refrigerator, or garbage disposal);
4. Bath houses, swimming pools, saunas, hot tubs, Jacuzzi repairs;
5. Household furnishings
6. Wrought iron security bars
7. Any other items deemed ineligible by the City and LACDA

NOTE: THIS LIST OF ELIGIBLE AND INELIGIBLE IMPROVEMENTS IS NOT EXHAUSTIVE. THE CITY WILL MAINTAIN THE DISCRETION TO DETERMINE WHETHER A PARTICULAR IMPROVEMENT IS ELIGIBLE OR INELIGIBLE, BASED ON CIRCUMSTANCES APPLICABLE TO THE PROPERTY.

F. Additional Uses of Grant Funds

In addition to the eligible direct construction costs, grant funds may be used to pay for financing fees associated with the program, including title evidence or insurance, credit reports, recording fees, and planning and building permit fees.

IV. Program Procedures

A. Applicant Intake and Eligibility Determination

1. **Pre-Screening.** To the extent possible, prospective applicants shall be pre-screened for basic eligibility requirements over the telephone by calling the City of Monrovia.
2. **Application.** Persons may apply for Residential Rehabilitation Program funds by completing application forms available at the City and submitting such materials to the City, attention Residential Rehabilitation Program. Complete applications will be reviewed in the order in which they are received. The City will maintain a waiting list if necessary. If an emergency condition exists, the applicant may be moved up on the waiting list at the discretion of the City Manager to eliminate the emergency condition. The determination of an emergency will be made on a case-by-case basis by the City Manager when immediate rehabilitation is necessary to address emergency situations such as natural disasters and life safety emergencies such as non-functioning hot water heaters, furnaces, leaky roof, etc. The amount of the grant funding that the applicant will receive will cover the cost to eliminate the emergency condition only. The applicant then will return to his/her original place on the priority list and when the applicant reaches the top of the list, he/she will be eligible for the remaining amount of the original request.
3. **Citizenship/Legal Status Declaration.** Under Executive Order 14218 and the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), all agencies administering HUD-funded programs (including CDBG activities that provide direct benefits) must verify and document the citizenship or eligible immigration status of every household member, regardless of age, by:
 - Collecting a signed declaration of U.S citizenship or eligible immigration status.
 - Obtain supporting verification documents (e.g., U.S. passport, birth certificate, naturalization or citizenship certificate, etc.)
4. **Verification and Eligibility.** The City shall verify all sources of household income in accordance with guidelines established by the HUD and the LACDA. Household income must be verified before applicant eligibility can be established. Income verification information shall be updated, and applicant eligibility re-determined if such information is more than six months old before the beginning of any rehabilitation work. Applicants will be notified regarding eligibility status.
5. **Rehabilitation Feasibility Determination.** Once an applicant is determined to meet eligibility requirements, an initial inspection of the property will be made by the Residential Rehabilitation Inspector to determine the extent of any building deficiencies that may be corrected through the Residential Rehabilitation Program. A Work Write-up will be prepared by the Program Inspector for the development of bidding documents.

6. **Processing.** As a goal, processing time from the date the City determines that the applicant is eligible for assistance under the Program until a grant is approved or denied shall be approximately thirty (30) days, unless a waiting list exists.
7. **Approval and Notifications.** In order to obtain program funds, applicants must meet all property and eligibility guidelines in effect at the time of funding approval. Applicants will be provided notification of approval or denial. Reasons for project denial will be provided to the applicant in writing.
8. **Historical Review.** The Program consultant shall prepare a Basic Property Identification Form for the subject property and attach required photographs (unless exempt) for processing with the LACDA Historical Review Division.
9. **Processing of Grant.** Copies of the Work Write-up and other pertinent documents will be reviewed for title verification to confirm the identity of all owners and any parties with legal rights or interests in the property prior to issuance of any grant.

B. Procurement and Contractor Selection

1. **Procurement.** Upon approval by the City, the homeowner is highly encouraged to obtain at least three (3) written bids, but no fewer than two (2) written bids, from qualified, licensed contractors who are not listed on the HUD debarment list and who are in good standing with the California State Contractors Licensing Board. The property owner(s) shall be responsible for obtaining bid estimates for repairs. Estimates shall be submitted in the form prescribed by the Residential Rehabilitation Program, or other manner(s) deemed acceptable to the City.

Upon submittal of the work write-up for the project, the City shall prepare an estimate of costs for the anticipated scope of work. Upon receipt of a bid, a review of the submitted bid shall be performed to ensure that the pricing is in conformance with current market rates for the work to be performed.

Bids that are in excess of ten percent (10%) over the pre-bid estimate amount shall be rejected as excessive in price, and a new bid requested. A bid that does not exceed the pre-bid estimate by 10% or more shall be deemed a responsive bid. Where multiple bids are received, the lowest bid amount shall be deemed the responsive bid, provided that the estimate does not exceed the established 10% threshold.

2. **Selection.** In accordance with CDBG regulations and LACDA requirements, the licensed contractor who is considered to be a responsive bidder, is cleared from the DOL debarred list and the Contractors State Licensing Board (CSLB), will be awarded the contract.

3. **Contractor License/Insurance File.** The City shall maintain a file for each contractor performing work pursuant to the terms and conditions of this program. The file shall include the following information:
 - Contractor’s social security number or federal tax ID number;
 - Unique Entity ID (UEI) number, formerly referred to as a “DUNS” number;
 - Copies of the contractor’s currently liability and worker’s compensation insurance policies;
 - Copies of the contractor’s current California Contractor’s License;
 - Copy of City Business license;
 - A list of all the sub-contractors (including license number) to be used by the General Contractor; and
 - County Lobbyist Certification.

4. **Ineligible Contractors.** In accordance with LACDA and the City guidelines, the City and the applicant(s) shall not award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from a Residential Rehabilitation Program grant, to any contractor who is not a California licensed contractor, who cannot produce sufficient evidence of current Workman's Compensation and Liability Insurance coverage, or who is on the DOL Debarred Contractor list or on the City's list of unreliable or irresponsible contractors. All “owner/builders,” or any member of the applicant's family, are considered ineligible to receive a contract payment for rehabilitation work, regardless of credentials or license. Any ineligible contractor found working at the job site must be removed immediately, without compensation.

C. Award of Contract

1. **Notification.** The City shall notify the contractor of the award of bid and shall establish a date and time for the pre-construction conference.

2. **Rehabilitation Construction Contract.** The contract for the approved rehabilitation work shall be prepared by the City and shall be entered into between the property owner and the selected contractor. The City may require the inclusion of certain contractual terms in accordance with HUD and LACDA requirements. In the event of any dispute arising under this program, the injured party shall notify the injuring party in writing of its contentions as specified under the contractor agreement between the property owner and the contractor. The contractor shall maintain in full force and effect liability, auto, and workers compensation insurance policies under standards set by the City, along with a City business license.

3. **Grant Provision and Monitoring Compliance.** Residential Rehabilitation Program participants must sign an agreement indicating that they will retain the ownership of their home, and use it as their primary residence, for a minimum of five (5) years following completion of the grant-funded improvements. If the home is sold or the title is transferred within five (5) years,

the property owner(s) will be required to reimburse the City for the entire grant amount. A document will also be recorded on title to the property with the County of Los Angeles to memorialize this enforceable 5-Year covenant for the property.

4. **Private Arrangements.** The City cautions the property owner and the contractor **not** to enter into any "side deals" for additional work or deviations from the approved work write-up. Under no circumstances will unauthorized work will be compensated by the City to the contractor, and any unpermitted additional agreement may result in the City withdrawing the grant.
5. **Preparation of Grant Documents.** Copies of the contract and related documents are sent to the designated Program representatives for the preparation of all grant and related documents.

D. Pre-Construction Meeting

Prior to construction, the City will arrange a pre-construction meeting which shall be attended by the contractor, subcontractor(s) if applicable, the property owner, and Program staff. The purpose of this meeting is to explain all applicable contractual requirements, explain all Program requirements and procedures, coordinate and schedule the work start date, perform a job-walk, and answer questions related to contract documents. The City shall maintain written minutes of this meeting.

E. Start of Construction

No work shall commence until a "Notice to Proceed" has been issued to the contractor, signed by the City's designated representative. In addition, no work shall commence until the proper permits have been issued by the City's Building & Safety Department.

F. Change Orders

Change orders are required for any additions or deletions to the work write-up once the contract agreement is signed. These changes must be reviewed and approved by the property owner, the contractor, and the City.

G. Progress Payment to Contractor and City Inspections

1. **Inspections and Complaints.** To ensure the integrity of the authorized repair work, the Program Inspector shall conduct site inspections prior to the issuance of payments and prepare detailed inspection reports, which identify any deficiencies in a contractor's materials or workmanship. These reports shall be reviewed and signed by the homeowner. The Program Inspector shall make regular and/or unannounced inspections of work in progress to identify the quality of work and assess satisfaction of the property owner(s). These inspections are in addition to the normal inspections required by the City of Monrovia's Building & Safety Department.

2. **Payment Request Packages.** The Contractor shall submit payment request packages to the City in the prescribed form. All requests shall be signed by the contractor, homeowner, and Program Inspector, certifying that the work has been satisfactorily completed. All pertinent invoices, mechanic's lien releases, certifications, and copies of applicable permits shall be attached to the payment request. Final payment request must also include the owner's certification of acceptance, Building Division sign off card, and the completed Notice of Completion. Payment request packages shall be submitted to the City for approval. Invoices will be processed for payment only at 100% completion of work, minus a 10% retention. The final payment for the 10% retention shall be paid after all program and contractual conditions have been met, 35 days after the Notice of Completion is recorded.

H. Applicant Complaint Resolution Process

All complaints related to the Program must first be submitted in writing to the Residential Rehabilitation Program Coordinator. Complaints will be reviewed by the City of Monrovia's Residential Rehabilitation Program Screening Committee, which is comprised of designated Program representatives, including the Consultant and/or City staff. The applicant will be given the opportunity to present all relevant information to the Committee for consideration. The Committee's decision shall be final.

I. City's Responsibilities and Applicant's Responsibilities

1. **Property Maintenance** - Homeowner(s) are responsible for property maintenance during the rehabilitation work (contractor is responsible for keeping the property clean of all construction material) in the conformance with the Monrovia Municipal Code Sections. The homeowner(s) are responsible for ensuring that the rehabilitation work is not impeded because of un-maintained property or general sloppiness, and that items of value, including pets, are secured. The City shall encourage that the contractor and his/her employees provide adequate protection to the homeowner(s)' property, both interior and exterior, during the rehabilitation process.
2. **Property Tax Bills** - A copy of current property tax bill for the subject property must be submitted to the City as part of the application process. The property owner(s) is/are responsible for ensuring that the property taxes are current. If an applicant's property tax statement indicates a delinquency at the time of the Program application, the City shall not proceed with grant processing until it is supplied with a Certificate of Redemption from Los Angeles County Tax Assessor's Office or other appropriate documentation of proof of payment.
3. **Notice of Completion** - The property owner(s) are responsible for executing and recording a Notice of Completion within 10 days of the completion of the work.

V. Program Requirements

A. Bonus, Commission, or Fee

The applicant shall not pay any bonus, commission, or fee for the purpose of obtaining approval of the grant application, or for any other approval or concurrence as may be required by the LACDA or the City, pursuant to the provisions of this Program.

B. Conflict of Interest

No Program grant will be provided to any member of the governing body of the County of Los Angeles, nor any designee of the LACDA, the County of Los Angeles, or the City of Monrovia, who is in a decision-making capacity in connection with the administration of the Program. No member of the above organizations shall have any interest, direct or indirect, in the proceeds from the Program grant, or in any contract entered into by the applicant for the performance of the work, financed, in whole or in part, with the proceeds of the grant.

C. Disclosure of Information

The City is a public agency and information or records (with the exception of financial diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice to such contractor. The City shall assist the homeowner in completing the necessary termination document as needed. No further rehabilitation is to commence until the Request for Substitution of Contractor and Termination of Contract Form, releasing the original contractor from his/her contractual obligations, is on file at the City, and a new contract is signed between the substitute contractor and the homeowner(s). The City shall advise the LACDA of any problems in the resolution of the substitution of contractor.

D. Equal Opportunity Policy

The City shall not discriminate based upon sex, age, race, creed, color, religion, national origin, marital status, ancestry, or physical disability in the awarding of the contract for rehabilitation of property assisted by a Program grant.

E. Fire and Flood Insurance Requirements

Applicants are obligated to carry sufficient fire insurance coverage (and flood insurance where applicable) on the property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount that is equivalent to the value of the dwelling including rehabilitation improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance. This requirement may be waived for emergency repairs, at the discretion of the City Manager.

F. Lead Hazard

Federal law requires that all homes receiving Federal assistance for housing rehabilitation programs must comply with Lead Based Paint Hazard Reduction laws. Housing built prior to 1978 will be inspected for lead paint and lead hazards in compliance with applicable Federal regulations.

Lead-Safe Housing Rule (LSHR) Requirements stipulates that depending on the nature of work and the dollar amount of federal investment in the property, certain requirements must be complied with in handling lead-based paint. For implementation purposes of this program, adherence to LSHR under Subpart J shall apply.

For structures deemed subject to these Federal requirements, all lead-based paint hazards must be removed, and proper clearances must be provided prior to occupying areas where work has been done, per Federal regulations. Prior to disturbance, remodeling or demolition activities, surfaces and/or materials will be sampled and/or abated by a certified, licensed lead professional.

The owner and occupants will receive notices per regulatory requirements. An affidavit confirming that the applicant has received, reviewed, and understands the hazards of lead-based paints and asbestos will be placed in the participant file.

G. Historic Preservation

In order to comply with Section I 06, National Historic Preservation Act of 1966 as amended (16 U.S.C. 470) and LACDA guidelines, the City shall prepare a Basic Property Identification Form for each structure to be improved. When the subject structure is determined to be fifty (50) years old or older, such form shall be accompanied by a set of four (4) photos and shall be submitted to the LACDA for review and clearance.

H. Substitution of Contractor

In the event that the selected contractor shall fail or refuse to complete the work in a professional and workmanlike manner as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice to such contractor. The City shall assist the homeowner in completing the necessary termination document as needed. No further rehabilitation is to commence until the Request for Substitution of Contractor and Termination of Contract Form, releasing the original contractor from his/her contractual obligations, is on file at the City, and a new contract is signed between the substitute contractor and the homeowner(s). The City shall advise the LACDA of any problems in the resolution of the substitution of contractor.

1. **Non-Commencement by Original Contractor.** The City shall notify the LACDA by means of a Request for Substitution of Contractor and Termination of Contract Form, that the original contractor will not be performing the rehabilitation and the reason(s) for which a substitution of contractor is being requested. Both the homeowner(s) and the original contractor's signatures are required on this document. The property owner shall obtain a substitute

contractor willing to perform the rehabilitation, and, to the extent possible, negotiate the total contract price with the new contractor to assure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed.

2. **Noncompliance by Original Contractor.** The City shall inspect the job and compile a list of incomplete or unacceptable items to determine the extent of work to be completed by the substitute contractor. The City shall notify the LACDA in writing that the original contractor has not performed according to the Rehabilitation Construction Contract and list the initial steps taken by the City to resolve the problem. A meeting shall be held between the City, homeowner(s) and the original contractor to establish a method of contractor payment and prepare an official Request for Substitution of Contractor Form signed by both homeowner(s) and the contractor. Funds withheld from the original contractor shall be delineated on the form. Lien releases and invoices from the original contractor and subcontractor(s) must be provided by the contractor. The City shall prepare a revised Work Write-up, based upon the City's inspection findings, which contain only those items necessary to complete the job. The City shall obtain a substitute contractor willing to perform such work, and, to the extent possible, negotiate the total contract price with the new contractor to ensure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed.

I. Davis-Bacon Requirements

In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of residential property if such property contains eight (8) units or more. **Therefore, this program is exempt from the Davis-Bacon requirements.**

J. Section 3

Section 3 requirements apply to contracts of \$200,000 or more. **Due to the Program's maximum grant amount of \$25,000, the program is exempt from Section 3 requirements.**

VI. Amendments

Amendments to these guidelines may be made from time to time by the City. Authority to modify elements of the guidelines shall be vested with the City Manager, in compliance with Federal and LACDA Regulations and requirements.

Dylan Feik, City Manager

Date _____