

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF YUBA**

**RESOLUTION TO ADOPT AMENDED)
COMMUNITY DEVELOPMENT BLOCK)
GRANT OWNER OCCUPIED)
REHABILITATION PROGRAM GUIDELINES)**

RESOLUTION NO.: 2023-030

WHEREAS, the Community Development Block Grant (“CDBG”) Owner Occupied Rehabilitation Program Guidelines were amended by the Board of Supervisors in April 2013, September 2015, and May 2020; and

WHEREAS, the current guidelines have been amended in order to describe specific features of the jurisdiction’s Rehabilitation Program, including prioritizing Yuba County Code Enforcement Cases; and

WHEREAS, pursuant to CDBG regulations, the public has been invited to comment on the proposed Guidelines during a noticed public hearing, as well as to submit written comments; and

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NOW, THEREFORE, BE IT RESOLVED, by the Yuba County Board of Supervisors:

1. Approves the amended CDBG Owner Occupied Rehabilitation Program Guidelines attached hereto as Exhibit A, and are hereby adopted.
2. This Resolution shall take effect upon its adoption.

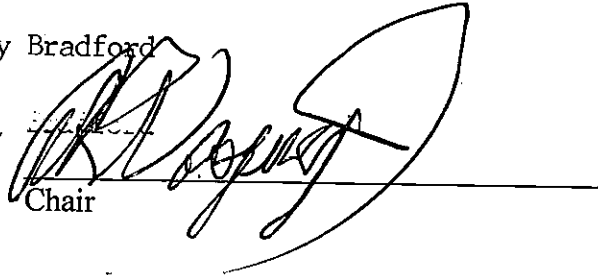
PASSED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Yuba, State of California, on the 25 day of April, 2023 by the following vote.

AYES: Supervisors Andy Vasquez, Don Blaser, Jon Messick

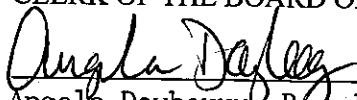
NOES: None

ABSENT: Supervisors Seth Fuhrer, Gary Bradford

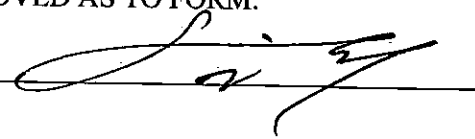
ABSTAIN: None


Chair

ATTEST: MARY PASILLAS
CLERK OF THE BOARD OF SUPERVISORS


Angela Dayberry, Board Clerk

MICHAEL J. CICOZZI
YUBA COUNTY COUNSEL
APPROVED AS TO FORM:

By: 



Yuba County

Owner-Occupied Rehabilitation Program Guidelines

For:

Community Development Block
Grant Program



Revised 2/10/2023

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SECTION 1. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor”, has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer a Community Development Block Grant (CDBG) funded housing rehabilitation program. The rehabilitation program described herein and hereinafter referred to as the “Program” is designed to provide assistance to eligible homeowners for correction of health and safety items, as well as code violations, located within the Program’s eligible area, as described in Section 3.0. The Program provides this assistance in the form of grants up to \$40,000 used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code compliant home, referred to herein as “housing unit”. The Program will be administered by Habitat for Humanity Yuba Sutter, hereinafter referred to as the “Program Operator”.

1-A. ELIGIBLE APPLICANTS

Applicants must:

- Must be existing homeowner and occupy the residence. Proof of occupancy will be required
- Must have an Average Median Income (AMI) at or below 80%. Owner will be required to provide income documentation as detailed in the “Annual Household Income Definition/Income Limits” attached at the end of these Guidelines.
- Have an eligible health, safety, or building code issue in the housing unit

Priority assistance will be given to:

- Households with 80% AMI or less who have a documented open Yuba County Code Enforcement case

1-B. PROPERTY ELIGIBILITY

LOCATION

- Units to be rehabilitated must be located in unincorporated Yuba County.
- Units must not be located in a *Special Flood Hazard area*, which will be determined through the National Environmental Policy Act (NEPA) process.

PROPERTY TAXES

Property Taxes must be paid and current to be eligible for a rehabilitation grant.

EVIDENCE OF OWNERSHIP

“Ownership” means any of the following interests in residential real property:

- Fee simple interest
- 99-year leasehold interest in the property

PROPERTY TYPE

To be eligible, the housing must be the primary residence of income-eligible occupants.

Eligible property types of residence can include:

- Traditional single-family housing, manufactured or mobile homes

CONDITION

The property must be economically feasible for rehabilitation to correct all health and safety hazards at a minimum.

1-C. ASSISTANCE TYPE

The program utilizes CDBG funds to provide eligible households with grants to address municipal code violations and health and safety repairs. Upon approval of a homeowner's application for funding, the County may provide one grant per household to pay for the rehabilitation work. There is a limit of one program grant every five years:

- CDBG grant funds shall be provided to pay for actual construction costs and eligible project soft costs only.
- Subject to funding availability, Grants shall be given in the amount of \$5,000- \$40,000 to pay for the rehabilitation work.
- The actual amount of CDBG assistance to be provided to a project shall be determined by both the bid amount and maximum grant amount of allowable CDBG assistance under the program.
- At the discretion of the Sponsor, funding outside of the minimum and maximum award amounts may be approved on a case by case basis.

In the event property is sold, ownership is transferred, or property is no longer occupied by original homeowner/grantee during the five-year grant term, the full principal cost of repairs will be due and payable in full to the Sponsor.

1-D. AFFIRMATIVE MARKETING & FAIR HOUSING PROCEDURES

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender, or sexual orientation, be excluded, denied benefits or

subjected to discrimination under the Program. The Sponsor and Program Operator will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

SECTION 2. APPLICATION & SCREENING PROCESS

2-A. PRE-APPLICATION PROCESS

An application for participation in the program may be obtained from the Habitat for Humanity program office, located at 202 D St. Marysville, CA 95901.

The application packet must be completed in its entirety and submitted together with the following documentation:

- Proof of Income - Verification of personal income can include, but is not limited to three most recent paycheck stubs, three (3) months of bank statements, current federal income tax returns or most recent annual SSI Benefit Award Letter if applicable, as well as documentation of other assets.
- Proof of ownership - Copy of Grant Deed, Deed of Trust, HCD mobile home registration, or property tax bill and Homeowners Insurance.
- Evidence of Insurance - Copy of current Homeowner's Insurance Policy or a statement from Insurance Agent of Intent to Insure (mobile/modular homes)
- Proof of identity for all household members - Copy of Driver's License, California I.D., or Passport for the head of household. For household members, please provide birth certificates or school I.D.s as appropriate.

See Section 4a for additional details regarding income documentation requirements

2-B. SCREENING PROCESS

Each application filed with the Program Operator that is deemed complete shall be time/date stamped, and processed in the order received. Program Operator will review applications and will verify property and income eligibility (see Section 5.4 Property Requirements).

Program Operator shall notify all ineligible applicants of their status in writing.

INTERVIEW

For applications meeting the initial screening requirements, Program Operator will schedule an interview with the applicant. During this meeting, the Program is fully explained, application forms and documentation are reviewed, and verifications are obtained for income, assets, employment, benefits, and mortgage. A Title report may also be obtained.

APPLICATION DENIAL

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that cannot be resolved, the Program Operator reserves the right deny the application and shall notify all ineligible applicants of their status in writing. In this case, the Applicant may re-apply after three months have elapsed from the time of written assistance denial.

INITIAL INSPECTION/WORK WRITE-UP/ESTIMATE

Prospective units are inspected by the Program Operator to determine eligibility and acceptability of properties for participation in the Program.

The inspection will be documented on an Inspection Form, including measurements, photographs documenting the needed repairs, relevant observations and special conditions with potential cost consequences.

If the home is a pre-1978 unit, there is a presumption of Lead Based Paint; lead hazards that are found they will be properly treated, according to HUD regulations (Section 6.1.E & F) (see section 6-C Lead Based Paint for additional details)

2-C. GRANT APPROVAL

The Program Operator will prepare a financing package that will include: the cost of construction, a contingency fund, and other project costs (listed in Section 9). The Program Operator will provide written notification to each Homeowner on approval (or denial) for the grant.

GRANT DOCUMENTATION PREPARATION

Once the request for financing is approved, the Program Operator will work with a title company to record the Deed of Trust and Promissory Note.

Program Operator will execute a "Owner Occupied Rehabilitation Grant Program Agreement" with the approved Homeowner. The Agreement ensures the applicant understands and agrees to the requirements for the program and officially awards the grant to the Homeowner.

Program Operator will also work with the Homeowner to make application to the appropriate permitting agency for the approved repairs.

SECTION 3. CONTRACTING PROCESS AND MONITORING

3-A. CONTRACTING PROCEDURES

- All housing rehabilitation work must be carried out using the adopted Owner Occupied Rehabilitation Program Guidelines.

- Homeowner will contract directly with the contractor provided by the Program Operator, whether a Volunteer Organization or a private entity
- All general and sub-contractors must be checked and cleared with HUD'S federal debarred list of contractors *and have a DUNS number or Unique Entity Identifier (UEI)*.
- All general and sub-contractors must be actively licensed and bonded with the State of California.
- All general and sub-contractors must have public liability insurance to the Lender's required limits, and if applicable, maintain Workers' Compensation and Employer Liability insurance to the extent required by State Law.
- All general and sub-contractors must comply with CDBG federal and state regulations.

3-B. PRE-CONSTRUCTION CONFERENCE

A pre-construction conference will be scheduled with Homeowner, Contractor, and Program Operator. The Program Operator will review the Contractor Construction Contract, including the Work Write-Up, start date, pay schedule, and projected date of completion, with the Homeowner and Contractor. The Program Operator will execute the construction contract and Notice to Proceed at that time.

3-C. CONSTRUCTION MONITORING

START-UP/FIELD INSPECTIONS

The Program Operator will visit the job site regularly to perform field inspections to check the scope of work and progress. The Program Operator will work with the County of Yuba Building Inspector or designee as necessary to ensure that work is in compliance with building codes if a building permit is required for the proposed work. The Program Operator will refer back to original plans and specifications to verify that work is completed as contracted. The Program Operator will review the work status with the Homeowner and with the Contractor in order to remedy any developing problems quickly and to ensure that both are satisfied with the construction process. The Program Operator will ensure that signage is placed at the construction site that lists HCD as providing financing for the project.

CHANGE ORDERS

Written change orders will be required when the Homeowner requests any changes to the Work Write-Up, such as eliminating an item, eliminating one item and substituting another, or adding items. The change order will describe the change and state the dollar value of the change. The change order will be signed by both the Contractor and the Homeowner, and submitted to the Sponsor for approval. If the change order should require additional funds that exceeds approved financing, the Program Operator will need to approve changes and include revised documentation in Homeowner file detailing the requested changes, updated grant amount, and approvals.

PROGRESS AND FINAL PAYMENTS

Ninety percent (90%) of the contract amount will be distributed to the Contractor in the form of three equal periodic payments during construction. Upon favorable inspection by the Homeowner and Program Operator, the payment authorization will be signed by the Homeowner and submitted for payment.

The final 10% of the contract amount will be held as a retention payment. When construction is completed, the Program Operator will inspect the work item by item with the Homeowner and the

Contractor. The County of Yuba Building Inspector will perform a final inspection if a permit was obtained/required for the work. Any corrections or deficiencies will be noted and corrected by the Contractor. Upon favorable final inspection, a Notice of Completion will be prepared, signed by the Homeowner, and then recorded. The final 10% retention payment will be released within 35 days of the recording of the Notice of Completion.

3-D. CONFLICTS OF INTEREST

No member of the Yuba County Board of Supervisors or any other official, employee, or agent of the County, who exercises any policy decision-making functions or responsibilities in connection with the planning and implementation of the Grant Program shall directly or indirectly be eligible for a Rehabilitation Grant, unless the application for rehabilitation assistance has been reviewed and approved according to applicable California Department of Housing & Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the Sponsor ends.

No member of the Program Operator's Board of Supervisors or other governing board, or any other official, employee, or agent of the Program Operator who exercises any policy decision making functions or responsibilities in connection with the planning and implementation of the Grant Program shall directly or indirectly be eligible for a Rehabilitation Grant, unless the application for rehabilitation assistance has been reviewed and approved according to applicable California Department of Housing & Community Development (HCD) guidelines. This ineligibility shall continue for one year after an individual's relationship with the Program Operator ends.

A Contractor with a vested interest in the property cannot participate in a rehabilitation job.

SECTION 4. DETERMINATION OF APPLICANT ELIGIBILITY

4-A. DETERMINING INCOME ELIGIBILITY

INCOME QUALIFICATION CRITERIA

All occupants must certify that they meet the CDBG household income eligibility requirements and document their household income. Household income is the annual gross income (before any deductions) of all household members age 18 and older that is anticipated during the coming 12-month period. When calculating income, the household's projected ability to earn must be used, rather than past earnings.

See Attachment A and B for detailed guidance. Two types of income that are not considered are income of minors and of live-in aides. Certain other household members living apart from the household also require special consideration.

All households must have incomes at or below 80% of the County of Yuba area median income (AMI), adjusted for household size, as updated and published by HCD each year. Income limits in place at time of grant approval will apply at time of eligibility.

2022 CDBG HOUSEHOLD INCOME LIMITS								
Family	1	2	3	4	5	6	7	8
30%AMI	\$16,350	\$18,700	\$21,050	\$23,350	\$25,250	\$27,100	\$29,000	\$30,850
50%AMI	\$27,300	\$31,200	\$35,100	\$38,950	\$42,100	\$45,200	\$48,300	\$51,450
60%AMI	\$32,760	\$37,440	\$42,120	\$46,740	\$50,520	\$54,240	\$57,960	\$61,740
80%AMI	\$43,750	\$49,850	\$56,100	\$62,300	\$67,300	\$72,300	\$77,300	\$82,250

REQUIRED DOCUMENTATION

Verification from all income sources, for every household member who is 18 and over, must be obtained. Income verification will be completed by the Program Operator.

Homeowners will be required to verify their income by providing the following documentation, as appropriate:

- Wage statements or pay stubs (most recent three months-6 check stubs if paid bimonthly or semi monthly, 3 check stubs if paid monthly, 12 check stubs if paid weekly)
- Bank statements for all accounts (most recent six months)
- Saving statements (most recent two months)
- Investment statements (most recent two months)
- Mortgage loan statements (most recent two months)
- Tax returns, with supporting W2s and 1099s (last two years)

The Program Operator will send an employment verification form to the employer named by the Applicant, to verify employment. Benefit letters will be obtained for all sources of public assistance or pensions to verify income received. The Program Operator will also obtain a credit report on each Applicant. Credit reports are reviewed to determine if there are any active default, foreclosure or bankruptcy proceedings, judgments, collection, or tax liens against the Applicant that would be cause for denial of the application. If the Applicant has a mortgage, the Program Operator will verify that payments are current and that the Applicant is not at imminent risk of defaulting.

4-B. DETERMINING OWNER-OCCUPANCY STATUS

Applicant will be required to complete an occupancy certification and submit utility bills and/or other documentation that prove occupancy for a period of no less than one year. Program Operator will verify type of insurance (owner occupied or rental) and mailing address on insurance and tax bill to be that of the property address, and homeowner's exemption will be verified on tax bill.

4-C. DETERMINING NUMBER OF ELIGIBLE PERSONS IN HOUSEHOLD

Determination of income eligibility requires a clear understanding of the number of eligible persons in the household. Documentation of the number of eligible persons in the household will be verified through the Homeowner's submission of IRS 1040 Tax Return for the previous year, or Certification of Occupancy Form, or other required documentation.

SECTION 5. CONSTRUCTION

5-A. PROPERTY IMPROVEMENTS

The goal of the rehabilitation program is to remove deficiencies, improve energy efficiency, remediate lead-based paint, extend the useful life of the property and/or provide accessibility to comply with the American's with Disabilities Act (ADA), and/or comply with any special design or construction standards established by the Lender to preserve historic buildings.

Generally, replacement materials will be of a similar grade and quality compared to the original construction and code compliant. Luxury items are not permitted. If building materials that are normally considered "luxury items" are necessary due to a medical condition of a household member or for reasons of accessibility, the Program Operator may approve the use of such materials.

Examples of eligible improvements include foundation construction and repair, electrical repair or rewiring, plumbing repair, roof repair or replacement, heating system installation and repair, window and door replacement and repair, repair of structurally significant damaged wood, and floor coverings where it poses a hazard (see list below for additional allowable costs.)

Examples of non-eligible improvements include swimming pools, patios and patio covers, room additions that are for leisure, landscaping upgrades, hot-tubs, custom cabinets, and high-end appliances.

Allowable costs include:

- **Demolition and clean up:** tear down and disposal of dilapidated structures and clearance of weeds, junk, debris, stagnant water, and garbage, which directly affect the residence structure and constitute a health and safety hazard. If a garage or carport is detached, it may not be rehabilitated, but may be demolished if it is determined to be a health and safety issue.
- **General property improvements:** permitted if they relate to health, safety, code, or ordinance compliance. All improvements must be physically attached to the property and permanent in nature. They must remain with the home if the home is sold. A driveway, landscaping or fencing may be considered part of rehabilitation if it is determined to be a health and safety issue.
- **Appliances:** built in appliances such as stove and oven may be approved if nonworking.
- **Temporary relocation and storage:** relocation costs during the project if required for health and safety, and if made part of the grant. Typically, owner-occupants are not eligible for relocation.
- **Lead based paint abatement**

5-B. REHABILITATION STANDARDS

All repair work will meet California Building Codes-California Code of Regulations, Title 24 standards. The priority will be the elimination of health and safety hazards. Additionally, all repair work will comply with any special design or construction standards established by the County of Yuba to preserve historic buildings. Rehabilitation work should incorporate energy efficient/green building materials.

No grant will be approved based upon a scope of work that would permit a dwelling unit after rehabilitation to be out of compliance with Title 24 and California Health and Safety Code 17920.3.

5-C. LEAD BASED PAINT

All homeowners with homes constructed prior to January 1, 1978 must be provided with the proper disclosure notification concerning lead-based paint (LBP) hazards. Whenever pre-1978 houses are rehabilitated under CDBG, please refer to Title 24 Code of Federal Regulations (**24 CFR**) **§570.608**, Lead-based paint for guidance. The costs associated with meeting these requirements may be eligible to be paid for with the grant.

5-D. TEMPORARY RELOCATION

Sponsor does not intend to relocate homeowners; all attempts will be made to alleviate undue disruptions, while maintaining a safe environment during the rehabilitation process.

If occupancy during rehabilitation constitutes a substantial danger to the health and safety of the homeowner or a public danger, the Program Operator will consult with the Sponsor regarding the need to relocate the household. In the extreme case that relocation is deemed necessary, the Program Operator's "Residential Anti-Displacement and Relocation Assistance Plan" will be followed.

5-E. ACTIVITY DELIVERY FEES

The CDBG Grant Program limit will include all costs incurred in delivering the rehabilitation grant. Fees must be customary and usual and will be a part of the total grant amount. Sample costs are as follows:

- permits
- building inspection
- lead based paint mitigation
- termite/pest report
- temporary relocation

Typically, such fees may range from \$2,000 to \$5,000 per grant.

SECTION 6. AMENDMENTS AND EXCEPTIONS

6-A. AMENDMENTS

The Sponsor may make amendments to these Guidelines at any time. Any changes made shall be in accordance with federal and state regulations, and shall be submitted to HCD for approval, except for administrative changes, including annual updates to income and subsidy limits.

6-B. EXCEPTIONS

Any case to which a standard policy or procedure, as stated in the Guidelines, does not apply or a case in which an application is treated differently from others of the same class would be an exception. The Program Operator may initiate consideration of an exception and prepare a report to the Sponsor. The Sponsor shall make a determination of the exception.

SECTION 7. DISPUTE RESOLUTION PROCEDURES

Any person/household applying for a Rehabilitation Grant through the CDBG program has the right to appeal if their application is denied. In addition, during pre-construction, construction, or post-construction periods, the Homeowner has a similar right to have any disputes heard and resolved.

The Program Operator is primarily responsible to assure that the program is implemented in compliance with state and federal regulations in a timely and responsible manner. This includes developing accurate and professional files, work write-ups and contract documents. The Program Operator attends the meeting between the homeowner and the contractor when the contract documents are signed and facilitates in the clarification and/or corrections of proposed work, so a clear understanding is established between both parties.

During and after completion of construction, the contractor's work is monitored for code compliance by the County Building Inspector and for quality by the Program Operator.

The contractual obligation for rehabilitation is ultimately between the contractor and the homeowner. If a situation occurs where the two parties are in conflict, the following procedure will occur:

Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. To resolve the differences, each will give the other an opportunity to respond or correct the problem.

If the first attempt fails, the homeowner or contractor may ask the Program Operator to informally intervene. This intervention might include telephone call(s) to the contractor or homeowner, meeting(s) at the job site or in the office, or other actions as seem appropriate, including such things as the establishment of written working guidelines, or other post-contractual agreement.

If the Program Operator is unable to satisfactorily resolve the homeowner-contractor differences, the homeowner, contractor, or Program Operator, will contact HCD detailing the problem. In cases of building code compliance or questions of construction quality, the building inspector may also be contacted.

It must be recognized that the homeowner has other options which they may choose to utilize, including contacting the Contractors State Licensing Board and submitting a complaint.

Any controversy between the parties that cannot be settled through the informal intervention process outlined above shall be submitted to binding arbitration. Costs for the arbitration will be borne by the losing party, or subject to the terms of the arbitration agreement.

The parties shall attempt to agree on a single arbitrator to hear the dispute. If they cannot agree each party shall appoint an arbitrator. If the two arbitrators cannot reach an agreement, then they shall appoint a third arbitrator whose decision shall be final and binding.

The cost of the arbitration shall be borne by the losing party unless the arbitrator otherwise determines.

The arbitration shall be conducted in accordance with the rules of the American Arbitration Association then in force. The parties expressly agree that the arbitration shall be subject to and governed by, the Federal Arbitration Act, Title IX, USC 1 et seq.

SECTION 8. RESIDENCY REQUIREMENTS

Homeowners will be required to certify before final approval for the Owner Occupied Rehabilitation Grant Program that they will reside in their home as principal residence for a minimum of the 5 (five) year term of the grant.

Homeowners will be required to submit to the Sponsor between *January 1 and 15* of each year for the 5 (five) year term of the grant:

- Proof of occupancy in the form of a copy of a current utility bill.
- Statement of homeowners continued use as a residence.

In the event property is sold, ownership is transferred, or property is no longer occupied by original homeowner/grantee during the five-year grant term, the full principal cost of repairs will be due and payable in full.

Should Homeowner's death occur prior to the end of the five year grant, the Sponsor may approve an assumption of the remaining original grant term by an income qualified heir, providing they certify to continuous occupancy of dwelling and meet all required criteria. Should heir fail to meet income qualification limits, principal cost of repairs will be due and payable in full.

ATTACHMENT A

GROSS INCOME INCLUSIONS

From Title 25 Section 6914: "Gross income" shall mean the anticipated income of a person or family for the twelve-month period following the date of determination of income. "Income" shall consist of the following:

- (a) Except as provided in subdivision (b), "Exclusions", all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:
- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
 - (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business); (3) Interest and dividends;
 - (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
 - (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
 - (6) Public Assistance. If the public assistance payment includes any amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
 - (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
 - (B) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities.
 - (7) Periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts from persons not residing in the dwelling;
 - (8) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the family or spouse;
 - (9) Where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 2.5% of the value of all such assets, whichever is greater. For purposes of this section, net family assets means 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 shall be excluded.

ATTACHMENT B

GROSS INCOME EXCLUSIONS

From Title 25 Section 6914: The following items shall not be considered as income:

- (1) Casual, sporadic or irregular gift items;
- (2) Amounts which are specifically for or in reimbursement of the cost of medical expenses;
- (3) 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; (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans not used for the above purposes of which are available for subsistence are to be included in income;
- (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
- (6) Foster child care payments;
- (7) The value of coupon allotments for the purchase of food pursuant to the Food Stamp
- (8) Payments received pursuant to participation of the following volunteer programs under the ACTION Agency:
 - (A) National Volunteer Antipoverty Programs, which include VISTA, Service Learning Programs and Special Volunteer Programs.
 - (B) National Older American Volunteer Program for persons aged 60 and over, which include Retired Senior Volunteer Programs, Foster Grandparent Program, older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

ATTACHMENT C

REHABILITATION STANDARDS

At a minimum, all Health and Safety hazards must be eliminated. All repair work shall comply with HUD Housing Quality Standards (HQS) and the following provisions:

A. GENERAL REQUIREMENT

The purpose of each rehabilitation project will be to assure a living unit that provides for a healthful environment and complete living facilities arranged and equipped for suitable and desirable living conditions commensurate with the type and quality of the property under consideration. It is also a purpose of the rehabilitation project to provide each living unit with space necessary for suitable living, sleeping, cooking and dining accommodations as well as sanitary facilities.

- 1) Independent facilities shall be provided for each living unit except that common facilities such as laundry and storage space or heating may be provided for each property.
- 2) Each living unit shall contain provisions for each of the following, yet shall in no way be in violation of minimum standards as outlined in the California State Health and Safety Code and/or the current Civil Code:
 - a) A continuous supply of hot and cold water.
 - b) Sanitary facilities and approved method of sewage disposal.
 - c) Heating adequate for healthful and comfortable living conditions as per the current California Building Code.
 - d) Domestic hot water
 - e) Electricity for lighting and for electrical equipment used in the dwelling.
 - f) Effective waterproofing and weather protection
- 3) Clothes closet space should be provided with bedrooms or conveniently located nearby.
- 4) Entry/Exit doors that swing shall be equipped with an operable deadbolt lock. The lock shall not be key operated on the interior side of the dwelling and shall be installed per the most current vision of the California Building Code and the California Civil Code.
- 5) Attics and under floor area shall have proper access and insulation as required by local codes.
- 6) Every dwelling unit shall be supplied with a means of disposal or removal of trash and

garbage that is inaccessible to rodents. Trash shall not be allowed to accumulate for more than seven consecutive days as per County ordinance.

B. ACCESS TO THE BUILDING

Walkways and steps shall be provided for all-weather access to the building and constructed so as to provide safety and reasonable durability.

C. GRADING

Any deficiencies in grading or paving adjacent to the building shall be corrected to assure surface drainage away from foundations and basement walls. Retaining walls shall be maintained in adequate repair and must be provided where necessary to protect the structure, driveway and walls and to prevent soil erosion.

D. UNACCEPTABLE FEATURES

Features which are not ordinarily acceptable in a property, or are in violation of applicable housing codes and standards, must be corrected if determined necessary and feasible by Program Operator and/or contracted professional.

- 1) Buildings that do not have adequate attic and/or under floor space ventilation to prevent conditions conducive to dampness, decay, fungi and/or insect infestation and deterioration of the structure.
- 2) Buildings constructed on and supported by an unapproved wood foundation system resting directly on the ground.
- 3) Crawl space with less than 12" clearance between bottom of floor joists and grade.
- 4) Foundations with top of stem wall less than 6 inches above finished grade.
- 5) Any wood member of the building that is in contact with the ground.

E. STRUCTURAL SOUNDNESS

All structural components of the dwelling shall be in sound condition and considered serviceable for the expected useful life of the Rehabilitated building. Sagging floors, fireplaces, partitions, stairs and exterior walls shall be restored, if practical, to an acceptable level or plumb position, and supported or braced so as to prevent a recurrence of these conditions. Stairs and stair railings shall be structurally sound and rigid. Individual structural members in a seriously deteriorated condition shall be replaced and loose or damaged joints between structural members shall be corrected. This may be addressed in the required termite report.

F. INSPECTIONS AND CORRECTION

A careful inspection by a program assigned contractor of buildings and accessory structures on each property for evidence of actual or potential insect or rodent infestation or access channels will be conducted by a program assigned contractor. Defects in an existing building that allows and/or encourage the entry of rodents, termites or other vermin will be corrected by appropriate preventive measures; damaged or deteriorated structural members will be replaced as necessary. Preventive and protective measures against several forms of infestations shall be as determined by the Program Operator with or without the aid of additional professional findings, and may include the following:

- 1) Window or other openings near grade shall have tight fitting screens.
- 2) Exterior doors to fit tightly and be flashed or caulked at sill.
- 3) Opening for pipes or ducts through floors, walls or ceiling shall have tight fitting collars.
- 4) Cracks and crevices in foundations and above-ground walls may be effectively sealed by filling with mortar or other approved materials.
- 5) Cracked, broken or decayed wood surfaces shall be replaced or repaired.
- 6) The application of precautions or corrective actions as recommended by licensed professional exterminators. NOTE: All chemical treatments shall be conducted by same licensed exterminators.

G. EXTERIOR AND INTERIOR FINISHES

Exterior and interior finishes shall assure that building finishes will be adequate to prevent the entrance or penetration of moisture and weather; protect from damage by decay, corrosion, insects and other destructive elements; and provide reasonable durability and economy of maintenance. ***In addition, projects constructed prior to 1978 and there are child/children under the age of six residing or there is a possibility a child/children under the age of six may reside in it, then a Lead Hazard Evaluation Report must be obtained and lead hazards must be addressed accordingly.***

H. EXTERIOR APPURTENANCES

All exterior appurtenances or accessory structures that serve no useful purpose or those in a deteriorated condition, which cannot be economically repaired, may be removed. Such structures include porches, terraces, entrance platforms, garages and carports, walls, fences and miscellaneous sheds. Please note that removal of such appurtenances may be subject to approval by the State Office of Historic Preservation or the Sponsor Planning Department.

I. FOUNDATION

All masonry or concrete foundation walls shall be improved to a structurally sound condition and where practical, the top of the wall shall be not less than 6 inches above finish grade where practical. All wood foundation posts, sills, girders and plates showing signs of rot, decay, infestation or structural failure shall be replaced with new suitable materials of proper design. This will be as determined and directed by a program assigned contractor and may be in conjunction with other professional findings.

J. EXTERIOR WALLS

Wood siding materials and trim that are broken, split or damaged, so as to permit the entrance of weather or which show signs of decay or insect infestation, shall be replaced. Where required, all existing wood surfaces shall be suitably prepared for painting and receive a primer coat and finish coat of quality exterior house paint. New wood siding materials shall be protected by appropriate finishes. Composition sidings, including mineral surfaced fiber-board, mineral surfaced asphaltic siding, asbestos-cement types, etc., which show deterioration, damage or joint failure so as to permit the entrance of weather or adversely affect the appearance of the dwelling may be required to be repaired or replaced with new suitable siding materials.

K. INTERIOR WALLS AND CEILINGS

- 1) All loose and broken wallboard shall be adequately affixed or replaced, and refinished. All loose and broken plaster shall be soundly patched and repaired. Where deterioration is so extensive that patching is impractical, the entire wall or ceiling area shall be re-plastered or covered with acceptable drywall materials. ¹ NOTE: Installation of new wallboard may have to be preceded by the removal of the existing plaster.
- 2) All walls and ceilings shall be properly prepared and painted or receive other appropriate finish.
- 3) Interior doors, jambs, and trim which show excessive deterioration, abuse and patching may be replaced where needed. Existing and/or new interior millwork shall be properly prepared and receive the appropriate protective finish. All broken or missing hardware shall be replaced.

L. FINISHED FLOOR

- 1) Bathroom/toilet compartments and kitchen floors shall be provided with approved underlayment, approved waterproof floor covering materials and appropriate base molding.
- 2) Floors in other areas of the living unit which show excessive wear, shrinkage, cupping or other serious damage shall be, if possible, replaced or covered with acceptable finish flooring materials properly installed. Sound wood floors showing normal wear and discoloration may be refinished.¹

¹Wherever deteriorated walls, ceilings or other areas are suspected of containing asbestos materials, precautionary protective measures will be taken to protect workers and residents from harmful dust. These measures may include full abatement procedures as provided by trained personnel. Dwellings which are over 15 years of age and are occupied by children under the age

Finish flooring shall be appropriate to the use of the space, be in good condition and provide low maintenance service life.

M. ROOF DRAINAGE

Each dwelling shall have a controlled method of disposal of water from roofs to prevent damage to the building and property.

N. ROOF

All roofs and flashing shall be replaced or repaired to the extent necessary to protect the building against leakage.

O. GUTTERS, CORNICES AND EXTERIOR DETAILS

Gutter, down spouts, eaves, rafter ends, fascias, soffits and cornices, molding, trim, etc., showing evidence of deterioration shall be replaced with new material suitably protected against deterioration. Repairs shall be completed as necessary and in such a way as to prevent recurrence of the deterioration.

P. CHIMNEYS

Chimneys, brickwork, or fireplaces showing signs of deterioration shall be repaired, replaced or removed so as to eliminate a possible hazardous conditions

Q. WINDOWS, DOORS AND OTHER OPENINGS

Existing windows and doors, including their hardware, shall function properly and give evidence of continuing acceptable service. Defective glass or locking mechanisms shall be replaced or repaired. Windows, doors, and their frames which show signs of decay, deterioration, excessive warping, racking or misalignment shall be repaired or replaced and adequately protected with appropriate finish materials and flashings, against further deterioration.

R. ELECTRICAL WIRING

All habitable rooms shall contain, at a minimum, both convenience receptacles and lighting fixtures. Each habitable room may be equipped with at least two (2) receptacles or one (1) duplex receptacle and one lighting fixture. All 120-volt receptacles shall be replaced with 3-pronged grounding receptacles and meet current California Electric Code provisions.

S. PLUMBING

of seven will be evaluated to determine the existence of chipping or peeling lead-based paint. The occupants of all units rehabilitated through the CDBG program will receive a Lead-Based Paint Warning advising parents of the possible need to have children evaluated for possible lead poisoning. In incidents where lead-based paint poisoning has been determined, or where problems are believed to be likely, HUD-approved abatement procedures will be followed in cooperation with the local Health Department.

All plumbing fixtures shall be appropriately connected to approved drain, waste, vent and supply lines. All leaking, deteriorated or clogged piping shall be replaced or restored to a condition which will provide safe and adequate service for the plumbing fixtures or gas-fired equipment to which they are connected.

T. HEATING AND VENTILATION

No unvented fuel-burning heater will be permitted. All heating devices and appliances shall be of the type approved for the location. Each living unit shall have properly vented domestic water heating equipment capable of adequately supplying hot water, as defined in the California Plumbing Code, with properly installed safety devices in place.

U. PORCHES AND STEPS

All unsafe or unsound porches and steps will be removed and/or replaced and protected from deterioration with paint or other acceptable finish. Where required, approved handrails, and guardrails shall be provided.

V. FENCES AND GATES

Dilapidated wood fencing/gates that constitute a safety hazard shall be removed, however funding will not be provided for replacement.

W. YARD AREAS

Trees that are undermining the structural integrity of the dwelling shall be removed. All debris, lumber, and trash shall be removed.

X. PAINTING AND DECORATING

Where necessary, a protective and decorative finish coating shall provide: (1) adequate resistance to weathering; (2) protection of finished surfaces from moisture or corrosion; (3) an attractive appearance; and (4) reasonable durability. Where painted surfaces are in a well-maintained condition and not disturbed by the rehabilitation work, painting and decorating is not required.

Y. EXPANSION OF DWELLING

Funding will not be provided in excess of the homeowner's demonstrated funding need for rehabilitation/Rehabilitation of a similarly sized home.