



AGENDA

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, APRIL 14, 2021 - 6:30 P.M.

TELECONFERENCE

(CALL 888-204-5987 ACCESS CODE 8166599#)

A. Call to Order/Welcome

Roll Call

B. Confirmation of Agenda

C. Consent Calendar

1. City Warrants for February 2021
2. Council Minutes of March 10, 2021
3. Housing Successor Annual Report for FY 2019-2020
4. Fresno Regional Workforce Development Board Work Experience Agreement between the City of Orange Cove and Proteus
5. Resolution No. 2021-17 Authorizing Submittal of a 2021 Community Development Block Grant Application and Resolution No. 2021-19 Approving Guidelines for the CDBG Housing Rehab Program and Homebuyers Program

D. Administration

City Engineer

6. **SUBJECT:** Project Progress Update

Recommendation: Informational Item Only

7. **SUBJECT:** Notice of Completion for the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road

Recommendation: Council to consider approving Resolution 2021-15 Authorizing the City Manager to file and record with the County of Fresno a Notice of Completion for the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road

8. **SUBJECT:** Rapid Flashing Beacon in front of Orange County Library

Recommendation: Staff recommends that City Council authorize the City Manager to solicit bids for the construction of a rapid flashing beacon in front of the Orange Cove Library and authorize the City Manager to use Measure C funds to pay for the design and construction of the Project.

9. **SUBJECT:** Raw Traveling Water Screen for the Orange Cove Water Treatment Plant to Dawson-Mauldin, LLC

Recommendation: Council to consider approving Resolution No. 2021-18 Awarding Bid for the Raw Traveling Water Screen for the Orange Cove Water Treatment Plant to Dawson-Mauldin, LLC

Chief of Police

10. **SUBJECT:** Monthly Activity Report

Recommendation: Informational Item

Interim Public Works Director

11. **SUBJECT:** Update report regarding Public Works

Recommendation: Informational Item

Interim City Manager:

12. **SUBJECT:** Master Fee Schedule

Recommendation: Council to consider approving Resolution No. 2021-16 Approving the Fiscal Year 2021-22 Master Fee Schedule

13. **SUBJECT:** \$5,000 donation request from the OC Knights for the Women Youth Travel Softball Program

Recommendation: Council to approve \$5,000 for the OC Knights of Women Youth Travel Softball Program to be used for registration and insurance fees, equipment and uniforms

14. **SUBJECT:** Identifying Potential Revenue Options

Recommendation: Staff recommends the following:

1. Council to review the three (3) potential revenue sources that staff has analyzed and determined may be available to augment City revenues
2. Provide direction to Staff regarding which, if any, of the potential revenue sources the Council would like to further explore

15. **SUBJECT:** Proposed FY 2021-22 Budget Calendar

Recommendation: Staff recommends that the City Council approve the budget calendar for the fiscal year 2021-22

16. **SUBJECT:** Mission and Vision Statements

Recommendation: City Council approve the Mission and Vision Statements and include them in our Fiscal Year 2021-22 Budget

17. **SUBJECT:** Vehicle Use Policy

Recommendation: Staff recommends Council to consider approving Resolution No. 2021-20 Vehicle Use Policy

18. **SUBJECT:** Review and discussion of American Rescue Plan Act relating to potential one-time \$1,933,00 revenue grant.

Recommendation: Council to review and discuss the American Rescue Plan Act and provide staff with direction.

E. Public Forum

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your comments.

F. City Manager's Report

G. City Attorney's Report

H. City Council Communications

I. Adjournment

ADA Notice: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (559) 626-4488 ext. 214. Notification 48 hours prior to the meeting will enable the City to make arrangements to ensure accessibility to this meeting.

Documents: Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at front counter at City Hall and at the Orange Cove Library located at 815 Park Blvd., Orange Cove, CA during normal business hours. In addition, most documents are posted on City's website at cityoforange Cove.com.

STATEMENT ON RULES OF DECORUM AND ENFORCEMENT

The Brown Act provides that members of the public have a right to attend public meetings, to provide public comment on action items and under the public forum section of the agenda, and to criticize the policies, procedures, or services of the city or of the acts or omissions of the city council. The Brown Act also provides that the City Council has the right to exclude all persons who willfully cause a disruption of a meeting so that it cannot be conducted in an orderly fashion.

During a meeting of the Orange Cove City Council, there is a need for civility and expedition in the carrying out of public business in order to ensure that the public has a full opportunity to be heard and that the Council has an opportunity to conduct business in an orderly manner. The following is provided to place everyone on notice of the rules of decorum and enforcement.

GENERAL RULES OF DECORUM

While any meeting of the City Council is in session, the following rules of decorum shall be observed:

1. All remarks shall be addressed to the City Council as a whole and not to any single member, unless in response to a question from a member of the City Council.
2. A person who addresses the City Council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct (i) which is likely to provoke others to violent or riotous behavior, (ii) which disturbs the peace of the meeting by loud and unreasonable noise, (iii) which is irrelevant or repetitive, or (iv) which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.
3. A person, other than members of the Council and the person, who has the floor, shall not be permitted to enter into the discussion unless requested by the Mayor to speak.
4. Members of the City Council may not interrupt a person who has the floor and is making public comments. Members of the City Council shall wait until a person completes his or her public comments before asking questions or commenting. The Mayor shall then ask Councilmembers if they have comments or questions.
5. No person in the audience at a Council meeting shall engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, stamping of feet or other acts which disturb, disrupt or otherwise impede the orderly conduct of any Council meeting.

ENFORCEMENT OF DECORUM RULES (Resolution No. 2012-16)

While the City Council is in session, all persons must preserve order and decorum. A person who addresses the City council under public comment for a specific agenda item or under the Public Forum section of the agenda may not engage in speech or conduct which is likely to provoke others to violent or riotous behavior, which disturbs the peace of the meeting by loud and unreasonable noise, which is irrelevant or repetitive, or which disrupts, disturbs, or otherwise impedes the orderly conduct of any City Council meeting.

The Mayor or other presiding officer shall request that a person who is breaching the rules of decorum cease such conduct. If after receiving such a warning, the person persists in breaching the rules of decorum, the Mayor or other presiding officer may order the person to leave the City Council meeting. If such person does not leave, the Mayor or presiding officer may request any law enforcement officer who is on duty at the meeting as sergeant-at-arms to remove the person from the Council Chambers. In the event there is no one from law enforcement present, the Mayor or presiding officer may direct the City Manager to contact law enforcement.

In accordance with the Point of Order Rule 4.6, the majority of the Council may overrule the Mayor if the majority of the Council believes the Mayor or other presiding officer is not applying the rules of decorum appropriately.

REPORT.: Mar 19 21 Friday
 RUN....: Mar 19 21 Time: 08:44
 Run By.: Dora Silva

CITY OF ORANGE COVE
 Cash Disbursement Detail Report
 Check Listing for 02-21 thru 02-21 Bank Account.: 1010

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
043702	02/17/21	EOC01	TARGET EIGHT ADVISORY	-111003.00	C00108u	Ck# 043702 Reversed
046714	02/11/21	JT200	JT2 INC.	-62701.90	66142Ru	Ck# 046714 Reversed
046749	02/01/21	SEQ05	SEQUOIA EQUIPMENT CO, IN	-1567.74	118779u	Ck# 046749 Reversed
046783	02/09/21	FB001	THE FRESNO BEE	-846.00	12/27/20u	Ck# 046783 Reversed
046809	02/01/21	VPL01	VICTOR P LOPEZ	214.16	02/01/21	RX REIMBURSEMENT
046810	02/01/21	DIO00	DIONICIO RODRIGUEZ JR.	1800.00	02/01/21	PROFESSIONAL SERVICES WATER TREATMENT PLANT
046811	02/01/21	HER01	RUDY HERNANDEZ	8800.00	97	FINANCIAL CONSULTING/INTERIM CITY MANAGER SERVICES
046812	02/01/21	\F001	FERNANDEZ, ANDREA	24.31	000C10201	MQ CUSTOMER REFUND FOR FER0009
046813	02/01/21	\G005	GOMEZ, ALBERTO & ISABEL	99.74	000C10201	MQ CUSTOMER REFUND FOR GOM0045
046814	02/01/21	\L002	MADRIGAL, NORMA JIMENEZ	54.88	000C10201	MQ CUSTOMER REFUND FOR LAR0022
046815	02/03/21	ATT05	AT & T	391.08	02/02/21	COMMUNICATION & UVERSE
046816	02/04/21	EST10	JOE ESTRADA	126.55 90.00	01/28/21 02/03/21	CAL SACRAMENTO STATE WATER PROGRAM FEE REIMBURSMNT REIMBURSEMENT WATER DISTRIBUTION GRADE 3 RENEWAL
			Check Total.....:	216.55		
046817	02/04/21	HER01	RUDY HERNANDEZ	990.00	98	FINANCIAL CONSULTING/INTERIM CITY MANAGER SERVICES
046818	02/04/21	MER00	MERCADO, RICARDO	780.00	121	ORANGE COVE BUDGET REPORT 2021 DESIGN
046819	02/04/21	OCT81	ORANGE COVE TIRE SERVICE	15.00 453.55 51.20	25725 25798 25851	TIRES REPAIR FOR TRUCK# 203 INV# 25725 TIRES FOR TRUCK# 201 INV# 25798 BUSHING REPAIR FOR GMC VAN INV# 25851
			Check Total.....:	519.75		
046820	02/05/21	ADV03	ADVANCED FLOW MEASUREMENT	2539.21	0004305	COMPLIANCE TESTING FLOWMETER FOR PLANT B FILTER
046821	02/05/21	APV01	ARAMARK- ACCOUNTS RECEIVA	54.98 47.31 52.98	502745087 502745092 502745101	JANITORIAL SUPPLIES FOR WTP INV# 1502745087 JANITORIAL SUPPLIES FOR CITY YARD INV# 1502745092 JANITORIAL SUPPLIES FOR WWTP INEV# 1502745101
			Check Total.....:	155.27		
046822	02/05/21	BER03	WILLIAM J. BERRY	8770.00 -8770.00	5116 5116u	MEASURE S DESIGN AND MAIL FLYER INV# 5116 Ck# 046822 Reversed

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
			Check Total.....:	.00		
046823	02/05/21	BSK01	BSK ASSOCIATES	810.00	AE01775	WATER SAMPLES FOR WTP INV# AE01775
046824	02/05/21	CMM01	CITRUS MINI-MART	1751.61	1223	GASOLINE-DECEMBER 2020 INV# 1223
046825	02/05/21	CP001	COVE PRINTING	132.81	61520	500 DOOR HANGER COURTESY NOTICE INV# 61520
046826	02/05/21	DAP01	DODSON AUTO PARTS	7.54 53.69 3.87	49028 49045 49120	WORK SUPPLIES FOR PWD INV# 49028 HYD OIL FOR TRACTOR WWTW INV# 49045 ELEC TWIST FOR THE JULIA DAYCARE INV# 49120
			Check Total.....:	65.10		
046827	02/05/21	DHM01	D H MACHINE INC.	14.59	12/31/20	FINANCE CHARGE
046828	02/05/21	DLLO1	DE LAGE LANDEN PUBLIC FIN	3875.09 3951.10 188.15	70543746 70982978 070200591	COPIER LEASE INVOICE# 70543746 COPIER LEASE INVOICE# 70982978 COPIER LEASE LATE FEE INV# 70200591
			Check Total.....:	8014.34		
046829	02/05/21	DOPH2	DEPARTMENT OF PUBLIC HEAL	138.00 138.00 138.00 518.00	IN0261240 IN0261242 IN0263793 IN0263863	STATE CUPA OVERSIGHT SURCHARGE INV# IN0261240 STATE CUPA OVERSIGHT SURCHARGE CITY HALL STATE CUPA OVERSIGHT SURCHARGE WWTW INV# IN0263793 STATE CUPA OVERSIGHT SURCHARGE WTP INV# IN0263863
			Check Total.....:	932.00		
046830	02/05/21	FCSFF	FRESNO COUNTY SHERIFF	12992.44	SO18067	DISPATCHING SERVICES INV# SO18067
046831	02/05/21	FOO02	FOOTHILL AUTO TRUCK & AG	31.29	892467	15-01/892467 HEADLIGHTS INV# 892467
046832	02/05/21	JCO01	JORGENSEN CO.	470.00	5918308	FIRE ALARM ANNUAL SERVICE CITY HALL INV# 5918308
046833	02/05/21	SEQ05	SEQUOIA EQUIPMENT CO, IN	24.35	0118778	FINANCE CHARGE FOR INV# 118778
046834	02/05/21	SWRCB	SWRCB	9271.90	LW1028168	WATER SYSTEM ANNUAL FEES INV# LW-1028168
046835	02/05/21	TII01	TELSTAR INSTRUMENTS INC	5580.00	105697	CREATED BACKUPS OF SCADA APPLICATION INV# 105697
046836	02/05/21	WIN91	WIN-911 SOFTWARE	295.00	64649	WIN-911 FACTORY TALK MONITORING SERVICES
046837	02/09/21	RR001	ROY RODRIGUEZ	44.79	02/09/21	MEDICAL REIMBURSEMENT
046838	02/10/21	APV01	ARAMARK- ACCOUNTS RECEIVA	54.98	502748300	JANITORIAL SERVICES FOR WTP INV# 1502748300

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
046838	02/10/21	APV01	ARAMARK- ACCOUNTS RECEIVA	47.31 52.98 52.09	502748306 502748334 502748358	JANITORIAL SUPPLIES FOR CITY YARD INV# 1502748306 JANITORIAL SUPPLIES WASTE WATER PLANT #1502748334 JANITORIAL SUPPLIES CITY HALL INV# 1502748358
Check Total.....:				207.36		
046839	02/10/21	ARR02	ABEL ARROYO	1360.00	02/09/21	VP COMMUNITY CENTER RENTAL REFUND EVENT ON 4/18/20
046840	02/10/21	CT007	CHICAGO TITLE	750.00	200026281	TITLE SEARCH 376-030-41 YANEZ PURCHASE #FWEM-TO200
046841	02/10/21	FAH01	FAHRNEY AUTOMOTIVE GROUP	11958.89	204260	UTILITY VEHICLE REPAIRS & MAINTENANCE INV# 204260
046842	02/10/21	FGS01	FRUIT GROWERS SUPPLY CO	16.77	92201123	ANIMAL CONTROL DEPT. MOUSE TRAPS ACCT# 92201123
046843	02/10/21	FJC01	FLOYD JOHNSTON CONSTRUCTI	131796.37	2010NC-05	WORK COMPLETED ON THE TEMPORARY COFFERDAM PROJECT
046844	02/10/21	FRE30	FRESNO COUNCIL OF GOVERNMENT	2000.00	MLRSP-01	MULTI-JURISDICTIONAL LOCAL ROADWAY SAFETY PLAN
046845	02/10/21	FWUA1	FRIANT WATER AUTHORITY	5318.00	114015	FKC O&M MONTHLY BILLING FOR FEBRUARY 2021
046846	02/10/21	LOP50	SYLVIA MARTINEZ LOPEZ	151.12	02/05/21	UNIFORM ALLOWANCE-PANTS FOR S.MARTINEZ LOPEZ FWD
046847	02/10/21	LYN01	LYNN PEAVEY COMPANY	84.66	376178	EVIDENCE TUBES (3X12) & (7/8X8IN) INV# 376178
046848	02/10/21	OCL02	ORANGE COVE LIQUOR	3077.70	JAN 2021	GAS FOR PD PATROL VEHICLES MONTH JANUARY 2021
046849	02/10/21	OCT51	ORANGE COVE TIRE SERVICE	18.00 541.01	25935 25976	TIRE MOUNT 15-03 INV# 25935 ROTOR/BRAKES/OIL CHANGE 15-05 INV# 25976
Check Total.....:				559.01		
046850	02/10/21	PAR33	PARMOUNT PEST SERVICES	355.00	210100315	PEST CONTROL FWD, WTP, WWTP, & PD MON. JAN 2021
046851	02/10/21	SEB01	SEBASTIAN	249.60	10641995	ALARM MONITORING FOR ALL DEPTS. INV# 10641995
046852	02/10/21	SUP03	SUPERIOR POOL PRODUCTS LL	1073.60	Q2012920	CHLORINE FOR WTP SERVICES CHARGE INV# Q2012920
046853	02/10/21	TE001	TRUJILLO ELECTRIC	5800.00	2479	INSTALLED LED LIGHTS AT FIRE DEPT. INV# 2479
046854	02/10/21	TM001	TUTTLE & MCCLOSKEY	4479.00	1343	ATTORNEY PROFESSIONAL ALLOCATION COSTS
046855	02/11/21	JT200	JT2 INC.	62701.90	66142R0	INVOICE FOR WORK CONDUCTED ON D ST SIDEWALK IMPROV
046856	02/12/21	APV01	ARAMARK- ACCOUNTS RECEIVA	106.96 41.66 54.98 47.31	502748350 502748356 502752425 502752429	JANITORIAL SUPPLIES FOR PD INV# 502748350 JANITORIAL SUPPLIES FOR PD INV# 1502748356 JANITORIAL SUPPLIES FOR WTP INV# 1502752425 JANITORIAL SUPPLIES FOR CITY YARD INV# 1502752429

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
046856	02/12/21	APV01	ARAMARK- ACCOUNTS RECEIVA	52.98 106.96 146.27	502752450 502756360 502756368	JANITORIAL SUPPLIES FOR WWTP INV# 1502752450 JANITORIAL SUPPLIES FOR PD INV# 1502756360 JANITORIAL SUPPLIES FOR PD INV# 1502756368
			Check Total.....:	557.12		
046857	02/12/21	BMI01	BADGER METER, INC	421.92 584.40	80058589 80067004	BEACON FIXED NETWORK SERVICE UNIT INV# 80058589 CELLULAR BACKHAUL SERVICE UNIT INV# 80067004
			Check Total.....:	1006.32		
046858	02/12/21	BSK01	BSK ASSOCIATES	1248.00	AE01774	MONTHLY SAMPLES FOR WWTP INV# AE01774
046859	02/12/21	CEN06	CENTRAL VALLEY SWEEPING	3200.00	20210042	MECHANICAL BROOM SWEEPING PARK BLVD. JAN 2021
046860	02/12/21	DIA06	ROGELIO DIAZ	350.00	01/03/21	EUTHANASIA BY INJECTION VIA WEB TRAINING
046861	02/12/21	DLC01	DINUBA LUMBER CO	619.39 94.60	202182 207689	MATERIAL FOR STAIR CASE AT CITY HALL INV# 202182 PLUMBING SUPPLIES FOR JULIA DAY CARE
			Check Total.....:	713.99		
046862	02/12/21	DLL01	DE LAGE LANDEN PUBLIC FIN	3762.95	71183530	COPIER LEASE INV# 71183530
046863	02/12/21	FWUA1	FRIANT WATER AUTHORITY	2334.33	114062	SLDMWA FOR JANUARY BILLING INV# 114062
046864	02/12/21	IND00	INDUSTRIAL CONTROL AND DE	2190.00 1330.72	15642 15650	TROUBLESHOOT SCADA SYSTEM AT THE WATER PLANT TROUBLE SHOOTING SCADA SYSTEM WTP INV# 15650
			Check Total.....:	3520.72		
046865	02/12/21	LCC03	LEAGUE OF CALIF. CITIES	5111.00	640813	MEMBERSHIP DUES FOR CALENDAR 2021 INV# 640813
046866	02/12/21	METRO	METRO UNIFORM	197.43 17.28 69.00	215293 216307 216308	ACCESSORIES, BOOTS & EQUIPEMENT OFC. BARRAGAN BOOTS FOR OFC. JURADO INV# 216307 ACCESSORIES FOR OFC. JURADO INV# 216308
			Check Total.....:	283.71		
046867	02/12/21	NEL01	NELSON'S POWER CENTER	156.95	247062	BELT FOR LAWN MOWER INV# 247062
046868	02/12/21	ODC01	OVERHEAD DOOR CO. OF	390.00 -390.00 2686.61 -2686.61	62861 62861u 63046 63046u	REPAIR ON ROLL UP DOORS AT FIRE DEPT. FOR SERV Ck# 046868 Reversed REPAIR ON ROLL UP DOORS AT FIRE DEPT LABOR/MATERIAL Ck# 046868 Reversed
			Check Total.....:	.00		
046869	02/12/21	SHR02	SHRED-IT, C/O STERICYCLE,	114.10	181254675	SHREDDING SERVICE FOR PD INV# 8181254675

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046870	02/12/21	TI101	TELSTAR INSTRUMENTS INC	5223.00	105690	VFD BACKWASH DRIVE WTP INV# 105690
046871	02/16/21	ATT05	AT & T	2882.46	015945342	CALNET-3 COMMUNICATION FOR PD ACCT# 9391062194
046872	02/16/21	CLS01	CORELOGIC SOLUTIONS, LLC.	300.00	30519460	JAN. 2021-MONTHLY FEE FOR PROPERTY INFO SERVICES
046873	02/16/21	COL07	COLANTUONO, HIGHSMITH & W	69.64	45948	LEGAL SERVICES INV# 45948
046874	02/16/21	DIO00	DIONICIO RODRIGUEZ JR.	750.00	02/16/21	PROFESSIONAL SERV. WTP D.RODRIGUEZ JR INV# 001030
046875	02/16/21	ECN01	RAUL HERRERA ECN POLYGRAP	200.00	OCPDFEB03	POLYGRAPH INV# OCPD-FEB03-2021
046876	02/16/21	FBA01	BEHAVIORAL ANALYSIS TRAIN	481.00	02/05/21	INTERVIEW & INTERROGATION TUITION COST
046877	02/16/21	FGS01	FRUIT GROWERS SUPPLY CO	35.26 108.81 5.87 51.56 99.11 9.04 88.33	92196126 92197024 92197425 92197880 92198216 92199101 92201477	NOZZLE FOR SPRAYER & GLOVES INV# 92196126 PAD LOCKS INV# 92197024 PLUMBING SUPPLIES FOR WATER METER INV# 92197425 PLUMBING SUPPLIES FOR WATER METER INV# 92197880 PAD LOCKS INV# 92198216 ROPE TREE SPIRAL INV# 92199101 16" RAKES FOR PWD INV# 92201477
Check Total.....:				397.98		
046878	02/16/21	HER01	RUDY HERNANDEZ	8800.00	99	FINANCIAL CONSULTING/INTERIM CITY MANAGER SERVICES
046879	02/16/21	JUR01	SANTIAGO JURADO	90.00	C10216	INTERVIEW & INTERROGATION TRAVEL ADV MEAL EXP
046880	02/16/21	KOEFR	KOEFRAN INDUSTRIES, INC.	205.00	000437996	ANIMAL CONTROL SERVICES INV# 0000437996
046881	02/16/21	MER00	MERCADO, RICARDO	780.00	122	ORANGE COVE BUDGET REPORT 2021 DESIGN & DEVELOPMEN
046882	02/16/21	ODC01	OVERHEAD DOOR CO. OF	390.00 2296.61	062861 063046	REPAIR ON ROLL UP DOORS AT FIRE DEPT. FOR SERV REPAIR ON ROLL UP DOORS AT FIRE DEPT LABOR/MATERIA
Check Total.....:				2686.61		
046883	02/16/21	TUC01	TUCKFIELD & ASSOCIATES	3000.00	0607	WATER & SEWER RATE STUDY FOR JANUARY 2021
046884	02/16/21	WWA03	WORK WORLD AMERICA, INC	150.00 150.00	66691 66692	SURVEYOR VEST & FR JACKET - J. VARGAS SURVEYOR VEST & FR JACKET - J. ESTRADA
Check Total.....:				300.00		
046885	02/22/21	AMERI	AMERITAS LIFE INSURANCE C	3491.00 580.64 3491.00	FEB 2021 FEB-2021 JAN 2021	EMPLOYEE DENTAL INS. COVERAGE 2/01/21-02/28/21 EMPLOYEE VISION INS. COVERAGE 02/01/21-02/28/21 EMPLOYEE DENTAL INS. COVERAGE 01/01/21-01/31/21

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046885	02/22/21	AMERI	AMERITAS LIFE INSURANCE C	580.64	JAN-2021	EMPLOYEE VISION INS. COVERAGE 01/01/21-01/31/21
Check Total.....:				8143.28		
046886	02/22/21	ATTM1	AT&T MOBILITY	1203.72	X01242021	COMMUNICATION -- JANUARY 2021
046887	02/22/21	CMM01	CITRUS MINI-MART	1611.99	1224	GAS FOR WTP, WWTP, PW INVOICE #1224
046888	02/22/21	CWS01	CORBIN WILLITS SYSTEM	938.47	00C101151	ENHANCEMENT AND SERVICE FEE INV# 000C101151
046889	02/22/21	DG001	DIANA GUERRA SILVA	699.61	02/22/21	MEDICAL REIMBURSEMENT
046890	02/22/21	MWS01	MODERN WILDLIFE SOLUTIONS	650.00	7711	DECEMBER MONTHLY RODENT CONTROL INV# 7711
046891	02/22/21	OCF02	ORANGE COVE FIRE PROTECTI	50000.00	02/19/21	PER CITY OF ORANGE COVE BUDGET 2020-2021
046892	02/22/21	ORT09	ESTEBAN ORTEGA	55.73 126.88	12/05/20 DEC 05 20	MATERIAL FOR STAIRCASE FOR CITY HALL (SCREWS) MATERIALS FOR STAIRCASE FOR CITY HALL (NAILS)
Check Total.....:				182.61		
046893	02/22/21	PAR33	PARMOUNT PEST SERVICES	355.00	210200334	PEST CONTROL PWD, WTP, WWTP, PD JAN. 2021
046894	02/22/21	PD001	PENA'S DISPOSAL	43379.86	JAN 2021	UTILITY ACCOUNTING FOR JAN 2021
046895	02/22/21	PGE01	PG & E	24717.91	02/17/21	UTILITY ELECTRICITY FOR ALL DEPTS.
046896	02/22/21	PIC01	PLAYGROUND INSPECTION CAL	1478.92	1999	PLAYGROUND INSPECTION #1 & 2
046897	02/22/21	PRO21	PROFESSIONAL PRINT & MAIL	701.82 1252.41	106360 106834	BLANK LASER CHECKS INV# 106360 PRINTING-JAN. 2021 MONTHLY UTILITY BILLS & POSTAGE
Check Total.....:				1954.23		
046898	02/22/21	QUI05	QUIL CORPORATION	464.47	14282929	OFFICE SUPPLIES FOR ALL DEPTS. INV# 14282929
046899	02/22/21	UNITY	UNITY IT	4234.09	362458	COMMUNICATION SERVICES INV# 362458
046900	02/22/21	USB01	U.S. BANK CORPORATE PAYME	811.03	02/10/21	CC ENDING 0483-MAIN ACCT.
046901	02/22/21	VOR01	VORTAL, INC	225.00 225.00 225.00	1497 1503 1507	PROFESSIONAL SERVICE-OCT 2020 INV# 1497 PROFESSIONAL SERVICES-NOV 2020 INV# 1503 PROFESSIONAL SERVICES-DEC 2020 INV# 1507
Check Total.....:				675.00		
046902	02/23/21	VPL01	VICTOR P LOPEZ	53.00	02/23/21	MEDICAL REIMBURSEMENT

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046903	02/23/21	RR001	ROY RODRIGUEZ	146.08	02/23/21	MEDICAL REIMBURSEMENT
046904	02/25/21	VPL01	VICTOR P LOPEZ	996.54	02/25/21	AUTO ALLOWANCE APPROVED BY COUNCIL & MED. REIMBURS
046905	02/26/21	A.M01	A.M PECHE & ASSOCIATES LL	681.37	02/01/21	FINANCIAL CONSULTING SERVICES
046906	02/26/21	ACE01	A-C ELECTRIC CO.	450.00	VT0844001	SIGNAL LIGHT REPAIRS AT SOUTH & ANCHOR
046907	02/26/21	APV01	ARAMARK- ACCOUNTS RECEIVA	52.98 89.99 54.98 47.31 52.98 37.71	502756344 502756370 502760508 502760514 502760535 502760540	JANITORIAL SUPPLIES FOR WWTP INV# 1502756344 JANITORIAL SUPPLIES FOR CITY HALL INV# 1502756370 JANITORIAL SUPPLIES FOR WTP INV# 1502760508 JANITORIAL SUPPLIES FOR CITY YARD INV# 1502760514 JANITORIAL SUPPLIES FOR WWTP INV# 1502760535 JANITORIAL SUPPLIES FOR CITY HALL INV# 1502760540
Check Total.....:				335.95		
046908	02/26/21	ASI00	ASI ADMINISTRATIVE SOLUTI	454.50	02/24/21	HEALTH INSURANCE
046909	02/26/21	ATT05	AT & T	591.26 811.58	015945427 X01192021	AT&T LD ACCT# 9391066128 INV# 000015945427 AT&T FIRSTNET CURRENT BILL ACCT# 287287201576
Check Total.....:				1402.84		
046910	02/26/21	COOK1	COOK'S COMMUNICATION	7.55 108.19	146655 146816	CHIEFS VEHICLE F SERIES CHARGE LEAD INV# 146655 KENWOOD WHIP ANTENNAS (6) INV# 146816
Check Total.....:				115.74		
046911	02/26/21	DAP01	DODSON AUTO PARTS	73.23 14.02 270.97	49095 49191 49218	TAPE & DOOR HINGE INV# 49095 DEF FOR DIESEL INV# 49191 BATTERY FOR STREET SWEEPER INV# 49218
Check Total.....:				358.22		
046912	02/26/21	DG001	DIANA GUERRA SILVA	400.85	02/25/21	MEDICAL REIMBURSEMENT
046913	02/26/21	DLC01	DINUBA LUMBER CO	13.07 72.52	214982 222153	DEADBOLT FOR CITY HALL INV# 214982 SUPPLIES FOR RESTROOM INV# 222153
Check Total.....:				85.59		
046914	02/26/21	FCSEFF	FRESNO COUNTY SHERIFF	12992.44	8018133	DISPATCHING SERVICES FOR PD INV# 8018133
046915	02/26/21	FGS01	FRUIT GROWERS SUPPLY CO	38.03 196.25 24.96	92202011 92202043 92202260	WATER BOOTS FOR FWD INV# 92202011 WORK SUPPLIES FOR CHAINSAW INV# 92202043 BATTERIES ALKALINE D 6-PACK INV# 92202260

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
046915	02/26/21	FGS01	FRUIT GROWERS SUPPLY CO	6.24 24.96	92202313 92202332	BATTERIES FOR BARRICADES INV# 92202313 BATTERIES FOR BARRICADES INV# 92202332
			Check Total.....:	290.44		
046916	02/26/21	FOO02	FOOTHILL AUTO TRUCK & AG	15.11	893139	2011 CHEVY IMPALA FUEL CAP INV# 893139
046917	02/26/21	FRON1	FRONTIER	48.98	02/07/21	COMMUNICATIONS ACCT# 213-031-7012-081913-5
046918	02/26/21	HEW01	HEWLETT-PACKARD	11.36	600659349	PROPERTY TAX LEASED EQUIPMENT INV# 600659349
046919	02/26/21	ICG01	INTERWEST CONSULTING GROU	1260.00	66421	BUILD PLAN CHK FOR AMAYA APTS. SOLOR/CARPORTS
046920	02/26/21	LIE01	LIEBERT CASSIDY WHITMORE	3623.00	1514353	PROFESSIONAL SERVICES RENDERED THROUGH 01/31/21
046921	02/26/21	PUR01	PURCHASE POWER	138.73 564.39 21.92 217.51	01/13/21 03/14/21 12/13/20 104379291	POSTAGE FOR ALL DEPTS. ACCT# 8000-9000-0619-3662 POSTAGE FOR ALL DEPTS. ACCT# 8000-9000-0619-3662 POSTAGE FOR ALL DEPTS. ACCT# 8000-9000-0619-3662 LEASEING CHARGES ACCT# 0011192058 INV# 3104379291
			Check Total.....:	942.55		
046922	02/26/21	QUI05	QUIL CORPORATION	102.57 145.97	14271257 14401939	OFFICE SUPPLIES FOR ALL DEPTS. INV# 14271257 OFFICE SUPPLIES FOR PD ACCT# 7607802 INV# 14401939
			Check Total.....:	248.54		
046923	02/26/21	SAH01	SAHAGUN ROBERT	10.00	02/22/21	REIMBURSEMENT FOR WORK PHONE FACE COVER
046924	02/26/21	SOC03	STATE OF CALIFORNIA DEPAR	147.00	493703	LIVE SCAN INV# 493703
046925	02/26/21	TTS02	STEELE PRINTING	184.60	A9149	PRINTING 51/50 FORM SETS FOR PD INV# A9149
046926	02/26/21	USA01	USA BLUE BOOK	725.88 472.81 504.39 615.11	291188 316235 340857 12246426	WORK SUPPLIES FOR WWTP INV# 922533 MANHOLE COVER SWING SAMPLER KURVE WIRE WWTP WORK SUPPLIES FOR WWTP INV# 340857 SAMPLER 6 FT HANDLE INV# 12246426 FOR WTP
			Check Total.....:	2318.19		
046927	02/26/21	VAR01	VARGAS JOSE	75.00	02/18/21	COVID-19 TESTING
046928	02/26/21	VOR01	VORTAL, INC	225.00 225.00 225.00 225.00 225.00	1457 1463 1468 1474 1479	PROFESSIONAL SERVICES-FEB. 2020 INV# 1457 PROFESSIONAL SERVICES-MAR. 2020 INV# 1463 PROFESSIONAL SERVICES-APRIL 2020 INV# 1468 PROFESSIONAL SERVICES-MAY 2020 INV# 1474 PROFESSIONAL SERVICES-JUNE 2020 INV# 1479

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
046928	02/26/21	VOR01	VORTAL, INC	225.00	1483	PROFESSIONAL SERVICES-JULY 2020 INV# 1483
				225.00	1488	PROFESSIONAL SERVICES-AUG. 2020 INV# 1488
				225.00	1492	PROFESSIONAL SERVICE-SEPT. 2020 INV# 1492
				225.00	1516	PROFESSIONAL SERVICES-JAN. 2021 INV# 1516
				225.00	1523	PROFESSIONAL SERVICES-FEB. 2021 INV# 1523
			Check Total.....:	2250.00		
046929	02/26/21	VVM01	V & V MANUFACTURING, INC.	439.37	52045	OC PD ID BADGES RESERVE OFFICERS FLAT BADGES
046930	02/26/21	WEE01	W&E ELECTRIC	56.75	2101203	COATED MH LAMP FOR PARKING LOT INV# 2101203
			Cash Account Total.....:	333256.59		
			Total Disbursements.....:	333256.59		

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Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
700104	02/10/21	STA20	STATE DISBURSEMENT UNIT	2320.12	C10210	MISC DEDUCTIONS
700105	02/11/21	COL10	COLONIAL LIFE	43.09 15.70	C10211 1C10211	Cancer Ins Critical Illness Ins
			Check Total.....:	58.79		
700106	02/11/21	EDD01	EMPLOYMENT DEVELOP. DEPT.	2349.53 1066.23 2169.09	C10211 1C10211 2C10211	State Income Tax SDI SUI
			Check Total.....:	5584.85		
700107	02/11/21	IUC00	IUCOE LOCAL 39	374.92	C10211	Union Due Local 39
700108	02/11/21	SEC00	UNION BANK	8595.55 11017.66 2576.74	C10211 1C10211 2C10211	Federal Income Tax FICA Medicare
			Check Total.....:	22289.95		
700116	02/24/21	COL10	COLONIAL LIFE	43.09 15.70	C10222 1C10222	Cancer Ins Critical Illness Ins
			Check Total.....:	58.79		
700117	02/24/21	EDD01	EMPLOYMENT DEVELOP. DEPT.	2197.47 1028.98	C10222 1C10222	State Income Tax SDI
			Check Total.....:	3226.45		
700118	02/24/21	EDD02	EDD SUI	1071.51	C10224	SUI
700119	02/24/21	IUC00	IUCOE LOCAL 39	374.92	C10222	Union Due Local 39
700120	02/24/21	SEC00	UNION BANK	8409.20 10633.18 2486.82	C10222 1C10222 2C10222	Federal Income Tax FICA Medicare
			Check Total.....:	21609.20		
700121	02/24/21	STA20	STATE DISBURSEMENT UNIT	909.68 50.00	C10222 1C10222	Garnishment Misc Deduction
			Check Total.....:	959.68		
			Cash Account Total.....:	57929.18		
			Total Disbursements.....:	57929.18		



MINUTES

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, MARCH 10, 2021 - 6:30 P.M.

TELECONFERENCE

(CALL 888-204-5987 ACCESS CODE 8166599#)

A. Call to Order/Welcome

COUNCIL PRESENT: Mayor Victor P. Lopez (absent)
Mayor Pro Tem Diana Guerra Silva
Councilmember Roy Rodriguez
Councilmember Josie Cervantes
Councilmember Esperanza Rodriguez

STAFF PRESENT: Financial Consultant/Interim City Manager Rudy Hernandez
City Attorney Dan McCloskey
Chief of Police, Marty Rivera
City Clerk June V. Bracamontes

B. Confirmation of Agenda

No changes

C. Consent Calendar

1. Council Minutes of February 24, 2021

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Rodriguez, Council approved the Consent Calendar as presented.

Yes: Silva, Rodriguez, Cervantes, Rodriguez
No: None
Absent: Lopez
Abstain: None

D. Administration

City Engineer

- 2. SUBJECT:** Presentation by City Engineer Alfonso Manrique Monthly Update Report on City Projects

Recommendation: Informational Item Only

Presentation by City Engineer Alfonso Manrique

1. FHWA Projects a. CMAQ Alley Paving Project
2. Water Enterprise a. Friant Kern Canal Shut Down – Temporary Cofferdam, Pump Station & Piping
3. EDA Off-site Improvements at Northwest Corner of Park Blvd and Anchor Ave
4. Affordable Housing Sustainable Communities Grant Project – Pedestrian Sidewalk and Bike Trails
5. 2021 Active Transportation Program (ATP) Cycle 5 Application
6. Proposition 68 – State of California Parks and Water Bond Act of 2018 a. Per Capita Program
7. Police Station Parking Lot Improvements Project
8. Library Rapid Flashing Beacon Project

There have been several requests from residents to install a rapid flashing beacon at the crosswalk on Park Boulevard in front of the Orange Cove Public Library. The estimated cost to install a rapid flashing beacons on both sides of Park Boulevard is approximately \$29,900. Staff would like to receive City Council's approval to proceed with the design and construction of Project. The Project will be funded using Measure C funds.

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Rodriguez, Council approved to proceed with the design and construction of Project for the Library Rapid Flashing Beacon Project. The Project will be funded using Measure C funds.

Yes: Silva, Rodriguez, Cervantes, Rodriguez
No: None
Absent: Lopez
Abstain: None

3. **SUBJECT:** Resolution Authorizing the Interim City Manager to Execute the Program Supplement No. F018 to Administering Agency-State Agreement for the Federal-Aid Project No. 06-5301F15 and Authorize the Interim City Manager to Act on Behalf of the City of Orange Cove

Recommendation: Council to approve Resolution No. 2021-12 Program Supplement No. F018

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Rodriguez, Council approved Resolution No. 2021-12 Program Supplement No. F018 as presented.

Yes: Silva, Rodriguez, Cervantes, Rodriguez
No: None
Absent: Lopez
Abstain: None

Chief of Police

4. **SUBJECT:** Monthly Activity Report

Recommendation: Informational Item

Interim City Manager:

5. **SUBJECT: Public Hearing:** Submittal of a 2021 Community Development Block Grant Program

Recommendation: Council to approve the submittal of an application in response to the 2021 State Community Development Block Grant (CDBG) Notice of Funding Availability (NOFA), and to solicit citizen input

The City is proposing to apply for CDBG funds for Housing Rehab; Homebuyer Assistance Program and Planning and Technical Assistance Water Well. The Housing Rehab will provide deferred payment zero interest loans to homeowners; Homebuyer Assistance deferred payment zero interest to homebuyers; Planning/Technical Assistance Water Well Application funds to identify a location for a backup well that will supply water to the City when canal water is not available.

Mayor Pro Tem Silva opened the public hearing and no comments from public and closed the public hearing.

Upon the motion by Councilman Rodriguez and seconded Councilwoman Cervantes approved the submittal of an application in response to the 2021 State Community Development Block Grant (CDBG) Notice of Funding Availability (NOFA),

Yes: Silva, Rodriguez, Cervantes, Rodriguez
No: None
Absent: Lopez
Abstain: None

6. **SUBJECT:** Adoption of Resolution Approving the Fiscal Year 2021-22 Budget and Fiscal Policies

Recommendation: Council to consider approving Resolution No. 2021-14 Approving the Fiscal Year 2021-22 Budget and Fiscal Policies

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Rodriguez, Council approved Resolution No. 2021-14 Approving the Fiscal Year 2021-22 Budget and Fiscal Policies

7. **SUBJECT:** Financial Update

Recommendation: Informational Item Only

Interim City Manager presented the following:

- a. Housing Rehabilitation Program \$500,000. The Housing Rehab Program will provide deferred payment zero interest loans to existing homeowners that meet income requirements and have adequate equity to secure a loan for the cost of needed health and safety repairs
- b. Update on the Financial Aid to City, County and State Governments from the Federal Governments.
- c. Update of the preparation of Master Fee Schedule.

8. **SUBJECT:** Review and Discussion regarding City Planning Services

Recommendation: Informational Item

Mr. Ray Hoak has given his notice and will be leaving April 2, 2021.

Mayor Pro Tem Silva asked to thank him for doing such a good job for the city.

E. Public Forum

Members of the public wishing to address the City Council on an item that is not on the agenda may do so now. No action will be taken by the City Council this evening. But items presented may be referred to the City Manager for follow up and a report. In order to allow time for all comments, each individual is limited to three minutes. When addressing the Council, you are requested to come forward to the speaker's microphone, state your name and address, and then proceed with your comments.

None.

F. City Manager's Report

Regarding Measure S Parcel Tax did not pass needed 66%.

Interim City Manager is will be asking Council to proceed in considering a Utility Users Tax only requires 50% for passage. Could be use for public safety, and the Sunset Clause will expire 2024 and to consider to adopt the removal of the sunset clause.

G. City Attorney's Report

9. **SUBJECT:** First Amendment to Agreement between City of Orange Cove and Tuttle & McCloskey, A Professional Corporation

Recommendation: Council to consider approving Resolution No. 2021-13 Approving an Amendment to the City Attorney Contract and Authorizing the Execution Thereof

City Attorney, Dan McCloskey presented to Council to consider approving Resolution No. 2021-13 approving an Amendment to the City Attorney Contract and Authorizing the Execution.

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Cervantes, Council approved Resolution No. 2021-13 approving an Amendment to the City Attorney Contract and Authorizing the Execution.

H. City Council Communications

Mayor Pro Tem Silva regarding the shooting and accident recommend to keep Gabriel Villarreal and families in prayers keep the whole community in our prayers.

I. Adjournment

Mayor Pro Tem Silva adjourned the Council Meeting at 7:30 pm

PRESENTED TO COUNCIL:

DATE:_____

ACTION:_____



REPORT TO COUNCIL

April 14, 2021

To: Mayor and Council

From: Rudy Hernandez, City Manager

SUBJECT: Receive and File a Housing Successor Agency Annual Report for Fiscal Year 2019-20

BACKGROUND:

The City of Orange Cove ("City") is the Housing Successor Agency to the former Orange Cove Redevelopment Agency ("Agency"). When the former Agency dissolved in February 2012, the City inherited its housing assets and functions. California Health and Safety Code Section 34176.1(f) requires the City to prepare a Housing Successor Agency Annual Report summarizing activities in the prior fiscal year related to the former Agency's housing assets.

The Housing Successor Agency Annual Report for Fiscal Year 2019-20 is attached. It is being presented to City Council to receive and file. A copy must be transmitted to the California Department of Housing and Community Development and posted on the City's website by April 1, 2021.

The Housing Successor Agency had minimal financial activity in Fiscal Year 2019-20. The Housing Asset Fund had \$156 in miscellaneous administrative expenditures and no deposits. The ending cash balance as of June 30, 2020 was \$71,133. The only non-cash asset is a loan receivable from Citrus Gardens, L.P. The loan has an outstanding principal balance of \$275,000 and is due in 2029. The City is in compliance with all legal requirements imposed by State law on housing successor agencies.

RECOMMENDATIONS

Staff recommends that the City Council:

1. Receive and file the Housing Successor Agency Annual Report for Fiscal Year 2019-20

ATTACHMENTS

Orange Cove Housing Successor Agency Annual Report for Fiscal Year 2019-20

**DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)**

Former Redevelopment Agency: Redevelopment Agency of the City of Orange Cove

Successor Agency to the Former Redevelopment Agency: City of Orange Cove

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of Orange Cove

Entity Assuming the Housing Functions Contact Name: Manuel Sandoval Title Finance Director Phone (559) 626-4488 x216 E-Mail Address manuel@cityoforangecove.com

Entity Assuming the Housing Functions Contact Name: Manuel Sandoval Title Finance Director Phone (559) 626-4488 x216 E-Mail Address manuel@cityoforangecove.com

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

Exhibit A - Real Property	<input type="checkbox"/>
Exhibit B- Personal Property	<input type="checkbox"/>
Exhibit C - Low-Mod Encumbrances	<input type="checkbox"/>
Exhibit D - Loans/Grants Receivables	<input checked="" type="checkbox"/>
Exhibit E - Rents/Operations	<input type="checkbox"/>
Exhibit F- Rents	<input type="checkbox"/>
Exhibit G - Deferrals	<input type="checkbox"/>

Prepared By: Suzy Kim, RSG Inc., (714) 316-2116

Date Prepared: 30-Jul-12

City of Orange Cove
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

[illegible]

FRESNO REGIONAL WORKFORCE DEVELOPMENT BOARD
WORK EXPERIENCE AGREEMENT

This Worksite Agreement describes the terms and conditions between Proteus Inc. (WIOA Provider of Services) and City of Orange Cove (Employer). The Effective Date of this agreement is: 3/16/2021 to 05/31/2021.

WIOA Provider of Services Address: 1705 S. Anchor Avenue, Orange Cove, CA 93646; Phone: 559-967-0551; Email: fmendoza@proteusinc.org

Employer Address: 808 2nd Street, Orange Cove, CA 93646; Phone: 559-626-4488; Email: _____

Participant Name: Raul R. Del Bosque Jr. WIOA Application #: 20436211 Maximum Hours: 200

Total Agreement Amount: \$3,300. This amount is inclusive of employee hourly wage, all applicable payroll taxes, workers compensation insurance and any other applicable fees. Employee hours wage must be equal to or more than the current California/local minimum wage.

Approvals

Participant

I hereby acknowledge that the Work Experience activity described in the attached training plan is within my occupational interest. Furthermore, I have reviewed and accept all conditions as outlined in the training plan and this agreement.

Raul R. Del Bosque Jr

Participant Name

Raul Del Bosque Jr
Participant's Signature

3/16/2021
Date

Employer

As an authorized agent of the work experience Employer, I hereby acknowledge that the Employer understands and agrees to the requirements set forth in this agreement, the general provisions and the work experience training plan.

Alfred Angulo

Site Supervisor Name

Alfred Angulo
Site Supervisor Signature

3/16/21
Date

Provider of Services

I hereby acknowledge and accept all conditions as set forth in this agreement, the general provisions and the work experience training plan.

Fernanda Mendoza

Provider Staff Name

Fernanda Mendoza
Provider Staff Signature

3/16/2021
Date

General Contract Provisions

The Worksite/Worksite Supervisor agrees to:

1. The Provider of Services will compensate the youth directly on the basis of actual on-site training hours. The Worksite Supervisor will provide the Provider of Services with an accurately completed and approved timesheet, signed in ink by both the youth and the designated supervisor. The Provider of Services will provide Worker's Compensation Insurance, and will pay all applicable payroll taxes. No overtime hours will be allowed; however, if overtime compensation becomes due to a youth participant, the worksite employer agrees to reimburse the Provider of Services for the overtime compensation costs incurred.
2. **Work Assignment:** Provide productive work assignments, as agreed upon in the Work Experience Training Plan by the Provider of Services and worksite employer, and assure that adequate work is available to keep youth participants busy during working hours. If the Worksite Employer determines that a change of job duties is necessary, the Work Experience Training Plan must be revised with the new/additional job duties and the Provider of Services must provide its prior written approval.
3. These provisions do not establish an employer/employee relationship between the employer and the youth participant. The Provider of Services will be the employer of record, and the relationship between the employer and the youth participant is one of trainer/youth.
4. **Safety Training:** Provide safety instructions necessary to reasonably protect the youth against injury, and provide them with necessary equipment to carry out training responsibilities and duties. The worksite supervisor will not allow the youth to use any tools, equipment, or machinery until such time as the Verification of Safety Training has been completed, and understands and agrees that the youth participants are prohibited from beginning work assignments until they have been adequately trained and qualified to perform such work assignments.
5. **Work Schedule:** Each Participant's dates of placement, maximum number of allowable hours, and work schedule will be outlined in his or her Work Experience Training Plan. The worksite employer is responsible for paying any hours worked over the maximum hours allowed or after the last day of work outlined in the Training Plan, unless an extended end date is requested and approved by the Provider of Service.

The Participant's schedule, which is determined by the Worksite Supervisor, based on staffing needs and the Participant's age and availability, must be approved by the Provider of Service.

An onsite Supervisor must be available during all scheduled work hours, including weekend hours, if any, and the Provider must have staff available on-call to respond to any emergencies or concerns.

Any change from the originally agreed upon schedule, job duties or placement dates must be pre-approved by provider staff.

6. **Time Sheet Responsibilities:** Require that Participants accurately and completely record all hours worked on paper or electronic time sheets provided by the Provider and verified by the Worksite Supervisor. Worksite Supervisors are encouraged to review each Participant's time sheet, whether paper or electronic, at the end of each week to insure that time records accurately report the actual hours worked and do not record any hours for unexcused absences, lunch breaks, hours not worked or recreational activities not approved by the Provider.
7. **Supervision:** Provide adequate full-time adult supervision of each Participant by paid staff members (non-volunteer) and timely, constructive feedback, with a maximum ratio of one (1) adult Worksite Supervisor to two (2) Participants. The Provider will consider the number of on-site supervisors and a facility's physical size in placement decisions; more than two (2) youth may be placed at one (1) site only if the youth are separated physically - in different departments or on different floors. When the Worksite Supervisor assigned to each Participant is unavailable, ensure an alternate supervisor is designated. The Worksite should, whenever possible, inform the Provider if a new supervisor is assigned to the Participants. Assure that sufficient training, materials and equipment are available to carry out work assignments.
8. **Performance Reviews:** Prepare and submit youth mid-point and post evaluations as required by Fresno Regional Workforce Development Board (FRWDB) policy and per the guidelines of the Supervisor's Handbook. The Mid-point performance review should include recommendations to improve the performance of the youth or should document the basis for a decision to terminate further worksite training, if necessary. The final performance review should indicate whether the youth will be retained as a full-time employee.
9. **Worksite Monitoring:** Allow Provider of Services, FRWDB, State of California, and/or Department of Labor representatives to monitor all conditions and activities involved in performing this agreement. The Worksite Supervisor must assure the following:
 - a. No currently employed worker will be displaced by a youth. This includes partial displacement such as reduction in hours of non-overtime work, wages, or employment benefits.
 - b. No training assignment will infringe upon the promotional opportunities of currently employed individuals.

- c. No youth shall be placed in a position substantially equivalent to positions for which employees have been laid off.
- d. Ensure that Participants do not engage in political, labor organizing, religious, or non-work related fundraising activities during work hours.
- e. The youth will not assist in the operation or maintenance of that part of any facility that is used for religious instruction or worship.
- f. Appropriate standards of health and safety and a drug free workplace will be maintained.
- g. Adequate insurance will be in effect at all times.
- h. Comply and cooperate with audit surveys, audits, and any request by the State of California Department of Labor, Comptroller General, or FRWDB to secure an audit or audit waiver in compliance with Public Law 97-300 Section 164 or the Single Audit Act.
10. **Nepotism.** Not provide a training assignment under this program for a member of the owner of the Worksite's immediate family.
11. **Subcontract.** Not subcontract the services of the youth provided under this agreement.
12. **Transportation.** Ensure that the Participant does not operate a motor vehicle and is not transported offsite to attend meetings or work at different sites during the work day without the express written approval of provider staff in advance.
13. **Insurance.** Certify that there will be in effect, throughout the term(s) of training, proper personal and property liability insurance, and if required, appropriate bonding. The worksite shall provide proof of said coverage prior to the youth commencing training.
14. **Collective Bargaining.** Obtain the concurrence of the appropriate bargaining entity, when a collective bargaining agreement exists, in order to ensure compliance of the prescribed training with the terms of said agreement.
15. **Confidentiality.** Insure youth are aware of any Worksite policies and procedures with respect to protecting confidential information from disclosure, except to authorized persons.
16. **Discipline.** Not initiate discipline on the youth without the written concurrence of the Provider of Services.
17. **Youth File Folder onsite.** Maintain a list of Participants, their work assignments, schedules, and emergency card at each worksite as well as a valid work permit for Participants under the age of 18.
18. **Hot and Inclement Weather and Drinking Water.** Provide adequate indoor work to occupy Participants during inclement weather and periods when the temperature reaches 105 degrees Fahrenheit, when the regular Worksite is designated as out-of-doors.
Provide adequate cool water, access to shade and extra rest periods for Participants when the temperature exceeds 95 degrees Fahrenheit. Insure Participants know how to recognize the symptoms of heat stroke and heat exhaustion and what to do.
Provide access to an on-site source of heat, extra rest periods, and thermal insulating materials on equipment handles for Participants when the temperature drops below 30 degrees Fahrenheit.
19. Comply with all applicable federal, state, and local laws and regulations relating to a safe and accessible work environment, including but not limited to, federal and state Occupational Safety and Health Administration ("OSHA") laws and regulations, Americans With Disabilities Act (the "ADA") and its regulations, and the Fair Employment and Housing Act (the "FEHA") and its regulations.
20. **Compliance with OSHA.** Worksite Supervisor, Service Provider, and FRWDB shall, consistent with the manner described in this section, comply with all federal and state OSHA regulations, which apply to the youth assigned to Worksite Supervisor's location. The following describes the general obligations of worksite employer with regard to OSHA compliance:
 - a. FRWDB and/or Service Provider shall provide that its employees are trained in general safe work practices prior to commencement of services for Worksite Supervisor. Worksite supervisor shall provide that the youth are trained with regard to the specific hazards of and safe work practices before commencing such work and/or training.
 - b. FRWDB and/or Service Provider may inspect Worksite Supervisor's worksite before assigning youth to work there. Fresno Area Workforce Investment Corporation and/or Service Provider may do so thereafter on a periodic basis, with prior notification.
 - c. Upon request by FRWDB and/or Service Provider the Worksite Supervisor will provide documentation of the completion of their OSHA obligations under this section. Worksite Supervisor will include training in its exposure monitoring and sampling programs for the purpose of quantifying employee exposures to chemical, physical, and biological hazards in the youths' assigned tasks. Worksite Supervisor will inform youth of the results of such monitoring and sampling in accordance with OSHA requirements. FRWDB, Service Provider, and any youth will be informed of any suspected or known employee exposure in excess of OSHA permissible exposure limits, immediately following Worksite Supervisor's first knowledge of such overexposure.
21. The Worksite Supervisor is to notify the Provider within 24 hours of any accidents, special situations, or unusual occurrences. If a

Participant is injured or becomes ill, provide first aid or medical attention and notify the Provider immediately, no matter how minor the injury. No more than 24 hours after notice of the injury or illness, the Worksite Supervisor shall file all forms required by the Provider. Furthermore, the Worksite shall cooperate with any injury or illness-related reporting requirements deemed necessary by Provider.

22. **Compliance with Equal Employment Opportunity (EEO) laws:** Worksite Employer and Provider of Services shall, consistent with the manner described in this section, comply with all federal, state, and local laws requiring equal employment opportunity, and prohibiting discrimination, harassment, and retaliation in the workplace. The following describes the general obligations of the parties with regard to compliance with EEO and nondiscrimination obligations:
- a. Provider of Service will provide Worksite Supervisor and all youth with Provider of Service's policies against harassment, discrimination, and retaliation in the workplace upon assignment of any youth to Worksite Supervisor's location, and Service Provider will ensure that all youth are trained on the application of said policies against harassment, discrimination, and retaliation.
 - b. Worksite Supervisor will ensure that Provider of Service's policies against harassment, discrimination, and retaliation are effectively implemented and followed in all respects.
 - c. Worksite Supervisor will report immediately to Provider of Service and to the FRWDB, any information that might constitute a violation of EEO policies against harassment, discrimination, or retaliation, whether such information is a formal complaint or any other information giving notice of a potential violation of FRWDB's policies.
 - d. Worksite Supervisor will cooperate with Provider of Service and FRWDB with respect to investigating promptly any complaint of harassment, discrimination, or retaliation, and with respect to implementing any corrective action that is reasonable or necessary to ensure that FRWDB's policies against harassment, discrimination, and retaliation are fully and effectively enforced. Upon the written request of FRWDB, either Worksite Supervisor or Service Provider will be given the primary responsibility to investigate any complaints of noncompliance with the FRWDB's EEO and nondiscrimination policies and to take any corrective action. Worksite Supervisor and Service Provider will provide FRWDB with copies of all documents relating to the investigation and any corrective action taken.

WORK EXPERIENCE TRAINING PLAN

Participant Name: Raul R. Del Bosque Jr.		WIOA App # 20436211	Contract # 39
Agency Name: City of Orange Cove		Provider: Proteus Inc.	
Worksite Name and Work Experience (WEX) Location: City of Orange Cove 808 2nd Street Orange Cove, CA 93646		Provider Address: Proteus Inc. 1705 S. Anchor Avenue Orange Cove, CA 93646	
Worksite Supervisor: Alfred Angulo/Supervisor Phone: 559-626-4488 Email:		Provider Staff Name: Fernanda Mendoza Phone: 559-967-0551 Email: fmendoza@proteusinc.org	
Alternate Supervisor: Andy Valencia/Supervisor Phone: Email:		Provider Program Manager: Maria Aguilar Phone: 559-891-0135 Email: maguilar@proteusinc.org	
Participant Job Title: Landscaping and Groundskeeping Workers Department (if any) Dates of WEX Placement: 03/16/2021-05/31/2021		Work Schedule: <ul style="list-style-type: none"> Not to Exceed (4) hours maximum 20 hours per week When not in school can work 40 per week A week consist of Sunday thru Saturday 	
Participant may work a maximum of <u>20</u> hours per week and a maximum of <u>200</u> total hours during WEX placement.			
The participant shall be compensated for actual hours at the rate of 100% of the hourly wage, not to exceed eight (8) hours per day, and not to exceed 40 hours per week (20 hours if in-school)			
WORKSITE TRAINING PLAN			
Primary Tasks / Job Duties (Mandatory) – Clearly describe the work this participant will perform: <ol style="list-style-type: none"> Gather and remove litter. Use hand tools, such as shovels, rakes, hedge or brush trimmers, Water lawns, trees, or plants, using portable sprinkler systems, hoses, or watering cans. Rake, mulch, and compost leaves Mow or edge lawns, using power mowers or edgers. And other duties as assigned:			
List any equipment, tools, machinery or chemicals this participant will use, i.e. gardening tools, cleaning supplies, computer: Shovel, rake, hoses, watering can, lawn mower, edger, bush trimmer			
SPECIAL EMPLOYMENT NEEDS			
Describe any special equipment or clothing this participant will need to have, i.e., uniforms, safety glasses, work boots, etc.			
Describe your expectations for employee dress: T-shirt without logos, jeans, work boots			
Transportation issues: NA			

Participant Name: Raul R. Del Bosque Jr. **WIOA App #:** 20436211

Occupational Educational Plan

Clearly describe the Occupational Education component the participant will complete:	Start Date	End Date
1. Will learn to keep area clean	03/06/2021	05/31/2021
2. Will learn punctuality	03/06/2021	05/31/2021
3. Learn discipline with assigned work	03/06/2021	05/31/2021
4. Organizational skills	03/06/2021	05/31/2021

Academic Educational Plan

Clearly describe the Academic Education component the participant will complete:	Start Date	End Date
1. Learn attention to detail	03/06/2021	05/31/2021
2. Learn how to operate hand tools	03/06/2021	05/31/2021
3. Learn how to follow instructions	03/06/2021	05/31/2021
4. How to examine and detect defected tools	03/06/2021	05/31/2021

We have reviewed the Youth Survival Guide, which sets forth the rules and expectations about acceptable workplace behavior. I have reviewed the Occupational and Academic Educational Plan and agree to comply with the requirements therein. I understand that I am solely responsible for my actions and agree to comply with all rules.

I will contact the provider staff person if I have any questions or concerns.

Raul Del Bosque Jr. 3/16/21 [Signature] 3/16/2021
 Participant Signature Date Provider Staff Signature Date

I have reviewed the attached WEX Training Agreement and the General Contract Provisions and agree to comply with the requirements therein. I have also reviewed the Supervisor Handbook, which sets forth the expectations and requirements for the Fresno Regional Workforce Development Board WEX in more detail. I understand that compliance with these provisions will be monitored.

I understand that any change to the originally agreed upon schedule, job duties or placement dates must be pre-approved by provider staff.

[Signature] 3/16/21
 Worksite Supervisor's Signature Date

VERIFICATION OF SAFETY TRAINING

PARTICIPANT NAME: Raul R. Del Bosque Jr.

WORKSITE NAME: City of Orange Cove WIOA App # 20436211

The Worksite Supervisor must complete this form within the first week of training and place a copy of the original in the participant's file.

My signature below attests that:

1. The facility has a written safety policy that applies to this worksite.
2. A qualified instructor has provided this youth:
 - a. Training on the worksite's safety rules and regulations.
 - b. Detailed Instructions in the use of all the tools, equipment, and machinery listed in Section A. which this youth will utilize in the performance of his/her job.
 - c. Training in emergency procedures.
 - d. Training in the Worksite Supervisor's Injury and Illness Prevention Program (IIPP), emergency action and fire prevention plans, and all other site-specific safety rules and safety and health programs pertinent to this youth's work assignments.
3. This worksite shall abide by all applicable ADA and CalOSHA safety regulations.
4. This worksite shall prohibit this participant from using any tools, equipment, and machinery for which training has not been provided.

A. The following is a complete list of all tools, equipment, and machinery this participant will utilize in the performance of his/her job:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Rake | <input checked="" type="checkbox"/> Location of Fire Extinguisher |
| <input checked="" type="checkbox"/> Lawn Mower | <input checked="" type="checkbox"/> Knowledge of Emergency Exits |
| <input checked="" type="checkbox"/> Shovels | <input checked="" type="checkbox"/> Knowledge of First of Aid Kit |
| <input checked="" type="checkbox"/> Hedge/Bush Trimmers | <input checked="" type="checkbox"/> Watering Can |
| <input checked="" type="checkbox"/> Edger | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Hoses | <input type="checkbox"/> |

[Signature]
Worksite Supervisor Signature

3/16/21
Date

I have been trained in the use of all tools, equipment, and machinery listed above, and I agree to use only those tools, equipment, and machinery on which I have been trained. I have also been given an orientation on the worksite's safety policies.

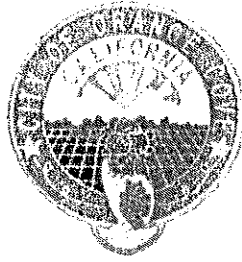
[Signature]
Participant Signature

3/16
Date

Mayor:
Victor P. Lopez

Mayor Pro Team:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Incorporated January 20, 1948

Rudy Hernandez
Interim City Manager
(559) 626-4488 ext. 216

Rudy Hernandez
Financial Consultant
(559) 626-4488 ext. 216

City Clerk:
June V. Bracamontes
(559) 626-4488 ext. 214

633 Sixth Street, Orange Cove, CA 93646 | Phone: (559) 626-4488 | FAX: (559) 626-4653

Date: April 14, 2021
To: The Honorable Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: RESOLUTION AUTHORIZING SUBMITTAL OF A 2021 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Attachments:

BACKGROUND

A resolution is attached for your consideration which allows for the submittal of three applications and execution of Standard Agreements for up to \$1,250,000 in grant funding for Housing Rehabilitation, Homebuyer Assistance and Planning and Technical Assistance Grants the identification of a well site and storage tank that will benefit low-income residents of the City of Orange Cove. The Application is in response to the 2021 CDBG Program Notice of Funding Availability (NOFA) issued on January 29, 2021.

The Planning and Technical Assistance application will provide funding that will be used to identify potential well and water storage sites as well as conduct predevelopment work associated with the development of a new well and water storage.

The Homebuyer Assistance Program provides permanent gap financing in the form of a zero interest, deferred payment loan equal to the term of the first mortgage plus fifteen years to income eligible borrowers to cover costs not covered by securing a primary mortgage. This gap financing is to ensure that the payment on the borrowers primary mortgage does not exceed 35% of the borrowers gross monthly income for the purchase of a single-family residential units. Total (primary loan plus homebuyer assistance loan) financing shall not exceed 100% of the appraised value of the property, plus a maximum of up to 5% of the sales price, to cover actual non-recurring closing costs.

The Owner-Occupied Rehabilitation Program offers income eligible persons financing, also in the form of a zero interest, 30 year deferred payment loan, to accomplish any of the following: the repair, rehabilitation, or reconstruction of single-family residential units. The maximum loan amount will be \$190,430.

The resolution authorizes the Interim/City Manager or designee(s), to sign the applications, the Standard Agreements, and any subsequent amendments or modifications thereto, as well as any other documents required by HCD for participation in the CDBG Program.

The application will be written by Self-Help Enterprises and administered by the City, if funded.

DISCUSSION

RECOMMENDED ACTION

The City Council authorizes the submittal of three 2021 grant applications to the California Department of Housing and Community Development for funding under the CDBG program, and if selected, the execution of standard agreements and required program documents.

FINANCIAL IMPACT

The cost for preparation of the CDBG applications by Self-Help Enterprises is \$5,500 and was previously budgeted for in General Fund account.

Prepared by: _____ Approved by:  _____
REVIEW: City Manager: ☒ Finance: ☐ City Attorney: ☐

TYPE OF ITEM:	COUNCIL ACTION:	APPROVED	DENIED	NO ACTION
<input type="checkbox"/> Consent	<input type="checkbox"/> Public Hearing			
<input type="checkbox"/> Info Item	<input type="checkbox"/> Matter Initiated by Council Member			
<input checked="" type="checkbox"/> Action Item	<input type="checkbox"/> Other			
<input type="checkbox"/> Department Report	<input type="checkbox"/> Continued to: _____			
<input type="checkbox"/> Redevelopment Agency	_____			

RESOLUTION 2021-

A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2021 FUNDING YEAR OF THE STATE CDBG PROGRAM

BE IT RESOLVED by the City Council of the City of Orange Cove as follows:

SECTION 1:

The City Council has reviewed and hereby approves the submission to the State of California of one or more applications in the aggregate amount, not to exceed, \$1,250,000 for the following CDBG activities, pursuant to the January 2021 CDBG Notice of Funding Availability (NOF A):

Housing Rehabilitation Program – Single Unit Residential	\$500,000
Homebuyer Assistance – Single Family	\$500,000
Planning and Technical Assistance – Water Well & Storage	\$250,000

SECTION 2:

The City hereby approves the use of Program Income in an amount not to exceed \$0 for the CDBG activities described in Section 1 above.

SECTION 3:

The City acknowledges compliance with state and federal public participation requirements in the development of the application.

SECTION 4:

The City hereby authorizes and directs the Interim/City Manager or Finance Director to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

SECTION 5:

If an application is approved, the Interim/City Manager, or designee, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and any and all subsequent amendments with the State of California for the purposes of the grant.

SECTION 6:

If an application is approved, the Interim/City Manager or Finance Director is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Orange Cove held on April 14, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Victor Lopez, Mayor
City Council

ATTEST:

By: _____
June Bracamonte, City Clerk

DATE: April 14, 2021
TO: Orange Cove City Council
FROM: Rudy Hernandez, Interim City Manager
SUBJECT: CDBG Housing Rehabilitation Program Guidelines, &
Acquisition Only & Acquisition with Rehabilitation,
Resolution Number 2021-19

ACTION REQUESTED:

It is requested that the City Council approve Resolution 2021-19 approving the City's CDBG Owner-Occupied Rehabilitation and Homebuyer Assistance (with or without Rehabilitation) program guidelines.

KEY POINTS:

- The CDBG Program provided a boilerplate guideline template for Housing Rehabilitation with a variety of options available to the grantee. Key program specifics included by the City:
- Owner-Occupied Rehabilitation Assistance includes financing to income qualified owner-occupied units or owner-investor units in need of repairs related to health, safety and/or code improvements:
 - Loans will be provided a 0% deferred payment loans to owner occupants with a term of 30 years, loans are due and payable upon sale, transfer of title or failure to occupy the unit as their principal place of residence.
 - Grants are available for:
 - Building permit, school fees, appraisals, property report/title insurance, building plans, termite report, land survey, grading plans, recording fees and/or flood insurance.
 - Grants are also available up to \$15,000 for Senior Citizens (62 years or older), Accessibility modifications, those with incomes below 50% or the County median income, curb, gutter and sidewalk, emergency repairs.
 - Grants up to \$10,000 are available for fire sprinkler installation and associated cost for reconstruction projects.
 - Grants up to \$25,000 for equity maintenance, in cases where financing the rehabilitation entirely with a loan would cause indebtedness to exceed 100% of after-rehabilitation value.
 - Grants up to \$7,500 for asbestos remediation and removal
 - Grants cover all cost associated with Lead-based paint evaluation and remediation.
 - Grants are available to households with domestic wells for their repair, replacement or abandonment.
 - Grants are also available on a limited bases for relocation as needed up to \$5,000.
- Homebuyer Assistance includes financing to homebuyers for the purchase of newly constructed or resale homes.
 - Homebuyer loans are provided as gap financing to provide the funding needed between the properties purchase price and the funds available to the buyer from their primary lender loan that places their housing cost between 25-35% of the households gross income.
 - The Subsidy amount cannot exceed fifty percent of the purchase price plus all closing cost.
 - Homebuyers are required to contribute a minimum of 1% or the purchase price to the purchase as their down payment.

- All homebuyer are required to complete homeownership counseling and education prior to receiving assistance.
- Loans are provide as 0% deferred payment silent second loans with a term of 45 years, loans are due and payable upon sale or transfer or title or failure to occupy the unit as their principal place of residence.

FISCAL IMPACT:

No impact.

RESOLUTION 2021-17

A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2021 FUNDING YEAR OF THE STATE CDBG PROGRAM

BE IT RESOLVED by the City Council of the City of Orange Cove as follows:

SECTION 1:

The City Council has reviewed and hereby approves the submission to the State of California of one or more applications in the aggregate amount, not to exceed, \$1,250,000 for the following CDBG activities, pursuant to the January 2021 CDBG Notice of Funding Availability (NOF A):

Housing Rehabilitation Program – Single Unit Residential	\$500,000
Homebuyer Assistance – Single Family	\$500,000
Planning and Technical Assistance – Water Well & Storage	\$250,000

SECTION 2:

The City hereby approves the use of Program Income in an amount not to exceed \$0 for the CDBG activities described in Section 1 above.

SECTION 3:

The City acknowledges compliance with state and federal public participation requirements in the development of the application.

SECTION 4:

The City hereby authorizes and directs the Interim/City Manager or Finance Director to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

SECTION 5:

If an application is approved, the Interim/City Manager, or designee, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and any and all subsequent amendments with the State of California for the purposes of the grant.

SECTION 6:

If an application is approved, the Interim/City Manager or Finance Director is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Orange Cove held on April 14, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

By: _____
Victor Lopez, Mayor
City Council

ATTEST:

By: _____
June Bracamonte, City Clerk

RESOLUTION NO. 2021-19

**A RESOLUTION OF THE COUNCIL OF THE CITY OF ORANGE COVE APPROVING
GUIDELINES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING
REHABILITATION PROGRAM AND HOMEBUYER ASSISTANCE PROGRAM**

WHEREAS, the City of Orange Cove, a political subdivision of the State of California, has established Program Guidelines which govern the administration of its Housing Rehabilitation Program and its Homebuyer Assistance Program; and

WHEREAS, the City desires to adopt the Guidelines for the Housing Rehabilitation Program and Homebuyer Assistance Program to comply with HCD requirements of the CDBG Program; and

NOW THEREFORE BE IT RESOLVED THAT, the City Council does hereby approve the Guidelines for the Housing Rehabilitation Program and Homebuyer Acquisition Assistance Program.

PASSED AND ADOPTED by the City Council of the City of Orange Cove by Motion of Council member _____, with Second by Councilmember _____, at a regular meeting on April 14, 2021, by the following VOTE:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Mayor

ATTEST:

City Clerk or Deputy
City of Orange Cove

CITY OF ORANGE COVE

Housing Rehabilitation Program Guidelines

For:

**CalHome Program
Community Development Block Grant
(CDBG) Program and
HOME Investment Partnerships Program**

**Serving the
City of Orange COVE**

**Ver. 2019.1
Pending CC Approval
Approved by HOME**

**CITY OF ORANGE COVE
OWNER-OCCUPIED HOUSING REHABILITATION
PROGRAM GUIDELINES**

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**CITY OF ORANGE COVE
OWNER-OCCUPIED HOUSING REHABILITATION
PROGRAM GUIDELINES**

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**City of Orange Cove
OWNER-OCCUPIED HOUSING REHABILITATION
PROGRAM GUIDELINES**

1.0. 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 one or more HCD-funded housing rehabilitation Programs. 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 deferred payment loans 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 Self-Help Enterprises, hereinafter referred to as the “Program Operator”.

1.1. PROGRAM OUTREACH AND MARKETING

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 will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

- A. The Fair Housing Lender logo and Accessibility logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. A Fair Housing Marketing Plan can be found as Attachment D. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homeownership education classes to help educate homeowners about credit, budgeting, predatory lending, foreclosure prevention and home maintenance, as well as future responsibilities.
- B. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any Program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

A. Waiting List/Homeowner Contact

The Sponsor will utilize a waiting list. In response to a homeowner's request, the homeowner is placed on the waiting list. Homeowners are offered the opportunity to qualify for assistance by waiting list priority (a first-come, first served basis). For CDBG, a separate waiting list will be kept for homeowners in need of assistance related to a domestic water well only. Assistance will be provided to eligible homeowners on a first-come, first served basis. Homeowners who need housing rehabilitation assistance in addition to assistance related to a domestic water well will be placed on both lists. Each applicant must participate in Homeowner Coaching and Basic Home Maintenance Education (also known as post-purchase counseling and education) and receive a certificate of completion to be eligible for the Sponsor's Housing Rehabilitation Program. Coaching sessions will include budget review and development, while the hands-on class will cover general homeowner pitfalls, homeowner responsibilities, and general maintenance.

The Program Operator will contact homeowners by mail and/or by telephone to advise them of funding availability. The homeowner has 30 days to complete and return the loan application and supporting documentation. Should a homeowner fail to respond to the initial contact for assistance or to provide any of the required documentation within the 30-day period, the homeowner's name will be removed from the waiting list. If the homeowner desires assistance at a later time, he/she will be placed on the waiting list at that time.

Should the waiting list be exhausted, the Program will be marketed in accordance with the Sponsor's Marketing Plan. **See Attachment D.**

B. Application/Interview

An application packet is provided to the homeowner for completion and submittal to the Program Operator, along with supporting documentation. An interview is scheduled with the applicant. The Program is fully explained; application forms and documentation are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage. Title report and property values are also obtained.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

C. Household Selection

Households selected for participation in the Sponsor's Housing Rehabilitation Program are those determined eligible upon completion of processes described in A. and B. above.

D. Initial Inspection/Work Write-Up/Estimate

Prospective units are inspected by the Program Operator, a certified housing inspector, or a

Sponsor representative to determine eligibility and acceptability of properties for participation in the Program.

If the home is a pre-1978 unit, the initial inspection will also include paint testing by a certified Lead-Based Paint (LBP) inspector/assessor or presumption of LBP. Code deficiencies will be corrected and if presumption is used or lead hazards are found they will be properly treated according to HUD regulations (Section 6.1.E & F) and cleared by a certified LBP inspector/assessor. **Note: CalHome-funded projects do not require LBP compliance. CDBG projects needing guidance shall refer to Chapter 20 of the CDBG Grant Management Manual, Lead-Based Paint Requirements.**

Measurements and observations are noted about the property, including special conditions with potential cost consequences (dilapidated outbuildings, absence of curb and gutter when required by code, etc.). A floor plan and site plan, as needed, are drawn for the home and property, including all appurtenances. **Note: HOME funds cannot be used for curb and gutter if the curb and gutter are outside the Borrower's property line.**

Findings are noted on an inspection form, and later used by the Program Operator to prepare the work write-up. Estimated costs are determined by the Program Operator who has years of experience in the building industry, and in reviewing contractor bids and verifying cost with materials suppliers. The homeowner reviews the completed work write-up and cost estimate, and the approved write-up is incorporated into bid documents.

E. Bid Solicitation

A bid walk-through date and time are scheduled. The homeowner may choose to solicit his/her own bids or request that the Program Operator solicit bids on his/her behalf. In an effort to obtain three reasonable bids, invitations to bid are sent to eligible contractors located in the Sponsor's County and selected by the homeowner from the Active Contractor List provided by the Program Operator. Homeowners are required to select a minimum of six contractors from the Active Contractor List and may add to the list as long as the contractor meets the requirements outlined in the Housing Rehabilitation/Reconstruction Program Contractor Guidelines and Information Sheet (see Attachment K). Contractors will be notified via telephone and/or in writing (email, fax, etc.) at least one week prior to each bid tour. Bid results will be provided to participating contractors.

Contractors must be licensed and bonded by the State of California Contractors Licensing Board. Contractors must also provide Program Operator with evidence of Workers' Compensation Insurance and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000.

Recruitment for eligible contractors is done on an ongoing basis, via local advertising, website notification, and program marketing. It is the goal of the Program Operator to maintain an Active Contractor List of eligible, interested contractors located in the Sponsor's County. Applications are available for those seeking to participate by calling the Program Operator or visiting the Program Operator's website. The Program Operator will send notices to contractors on the Active Contractor List annually, which will request each contractor contact the Program Operator to confirm his or her interest in remaining on the Active Contractor List.

Contractors who do not respond will be moved to the Inactive Contractor List.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Program Operator. Bids should be within 10% of the Program Operator's cost estimate, otherwise an explanation must be provided to the file for any bid selected exceeding 10% of the estimate. The homeowner is encouraged to accept the lowest reasonable bid.

The Program Operator determines eligibility of the contractor by contacting the State Contractors License Board and checking the Federal List of Debarred Contractors. The contractor is also required to provide a self-certification stating that he/she is not on the Federal debarred list. Once determined eligible, the contractor is then notified of provisional award of bid (pending loan approval). Notices of non-award are mailed to participating contractors.

F. Pre-Construction Conference

A pre-construction conference is scheduled with homeowner, contractor, and Program Operator. The Program Operator reviews the Owner-Contractor Construction Contract, including the work write-up, anticipated start date, pay schedule, and anticipated date of completion, with the homeowner and contractor.

G. Loan Request/Approval

A report and loan request are prepared on behalf of the homeowner by the Program Operator. The loan request includes the cost of construction, a contingency fund, and other project costs (listed in Section 6.3.). Note – For HOME and CDBG, the project costs listed in Section 6.3 are considered activity delivery costs to be paid by the Sponsor and may not be charged to the homeowner's loan. A Loan Review Committee meeting is scheduled to hear the loan request. Section 1.3. provides additional information on the loan approval process. Once approved, loan documents are executed and the loan is funded.

H. Start-Up/Field Inspections

Following loan approval, the construction contract and Notice to Proceed are executed. The Program Operator monitors date of start-up and performs field inspections on a regular basis. The Program Operator will visit the project site regularly in order to check the scope of work, inspect materials, and to confirm the project is on schedule and within budget. The Program Operator works with the Sponsor's Building Inspector to ensure the work meets building codes, while not exceeding funding limits.

The Program Operator reviews 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. At the completion of each phase, the Program Operator inspects the work and the homeowner authorizes contractor payments.

The Program Operator will refer back to original plans and specifications to verify the work was completed as contracted.

I. Change Orders

Written change orders are required when the homeowner requests any changes in the write-up, such as eliminating an item completely, eliminating one item and substituting another, or adding items. The change order will state the change and dollar value for the change. The change order must be signed by both the contractor and the homeowner, and submitted to the Program Operator and Sponsor for signature approval. If the change order exceeds the approved financing, the homeowner will be asked to provide additional funds or a report and request for additional funds may be presented to the Sponsor's Loan Review Committee for approval prior to Program Operator signing-off on the change order.

J. Progress Payments

Ninety percent (90%) of the contract amount is distributed to the contractor in the form of progress payments during construction. The final ten-percent (10%) of the contract amount is set aside as a retention payment. The contractor requests a progress payment from the homeowner and notifies the Program Operator that he/she has done so. Upon favorable inspection by the homeowner, Program Operator, and Sponsor or Sponsor's Building Inspector, the payment authorization is signed by the homeowner and submitted for payment.

K. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Program Operator inspects the work item by item with the homeowner, the contractor, and/or the Sponsor. The Sponsor's Building Inspector performs a final inspection. Any corrections or deficiencies are noted and corrected by the contractor. Upon favorable final inspections, a Notice of Completion is prepared, signed by the homeowner, and then recorded. The final ten-percent (10%) retention payment is released 35 days after the recording of the Notice of Completion.

1.3. LOAN PROCESS

The Sponsor's Loan Review Committee must approve all loans and grants. The Loan Review Committee may approve assistance with CDBG financing exceeding 100 percent of after-rehabilitation value as needed in cases where no other financial resources are available to cover the cost of the repairs and where clear and convincing documentation exists, justifying why the exception is needed. However, if the project is CalHome funded, the total financing cannot be more than 105 percent of the after-rehabilitation value. For HOME-funded loans, the total of all loans on the property cannot be more than 100 percent of the after-rehabilitation value, unless per HOME Management Memorandum 13-01 at <http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml#memos> the entire HOME assistance amount is granted rather than loaned, due to a lack of any equity after rehabilitation (based on existing loans on the property). If there is any available equity (after-rehabilitation value less existing loans), the HOME assistance, other than for temporary relocation and lead-based paint remediation, will be loaned in an amount equal to that equity, and the remainder will be granted. If existing loans exceed the after-rehabilitation value, then the HOME assistance will all be granted, rather than loaned, to the homeowner. The maximum HOME grant related to lack of equity cannot exceed 25% of the Per Unit Subsidy Limits in Attachment C.

In addition, the amount of HOME assistance, including Activity Delivery Costs, cannot exceed the Sponsor's County maximum HOME Per Unit Subsidy Limits found at: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>, and the after-rehabilitation value cannot exceed the HOME Maximum After-Rehabilitation Value. See **Attachment C for current limits.**

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. Homeowners will be provided written notification of approval or denial. Any reason for denial will be provided to the applicant in writing.

1.4. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's Program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.489 (h) shall be followed for CDBG assistance, and Section 92.356 of the HOME Final Rule shall be followed for HOME assistance. For CalHome funded Programs, the applicable Conflict of Interest requirements of Public Contract Code sections 10410, 10411, and 10430 (e) shall be followed.

For HOME assistance, Section 92.356 of the HOME Final Rule shall be followed, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient, which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation project. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the project. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

2.0. APPLICANT QUALIFICATIONS

2.1. INCOME LIMITS

All homeowners must certify that they meet the household income eligibility requirements for the applicable HCD Program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. **See Attachment C.**

The link to the official HCD maintained income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> (for HOME and CDBG, choose "State CDBG and HOME" limits; for CalHome, choose "Official State Income Limits").

Household: means one or more persons who will occupy a housing unit. For HOME and CDBG, unborn children count in family size determination. For CalHome, unborn children are not counted.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria for HOME and CDBG, as shown in the most recent HCD Program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing, kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine Program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Attachment A for HOME and CDBG. See Attachment A-1 for CalHome.** For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors or income of live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected income must be used, rather than past earnings, when calculating income.

Housing and/or debt ratios are not considered as the funding provided creates no additional

monthly financial obligation. If a homeowner has a mortgage, creditworthiness is verified by ensuring that all payments are current and that no late payments have been received in the past twelve months.

See Attachment A: HOME and CDBG 24 CFR Part 5 Annual Income Inclusions and Exclusions and Attachment A-1: CalHome Title 25 Section 6914 Annual Income inclusions and Exclusions (State)

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)*

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including: Penalties or fees for converting financial holdings and costs for selling real property. For HOME and CDBG, the cash value (rather than the market value) of an item is counted as an asset. For CalHome, the market value of an item is counted as an asset.

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. HOMEOWNER ELIGIBILITY AND RESIDENCY REQUIREMENTS

The Sponsor's Housing Rehabilitation Program allows for owner-occupied properties to participate in the Program. Owner-occupied units must be the owner's principal place of residence. A photocopy of a recent utility bill will verify proof of occupancy. No unit to be rehabilitated will receive financial assistance if it is currently occupied by an over-income household or does not meet the eligibility standards outlined in these guidelines.

A. Continued residency is monitored annually, per Attachment F, for the term of the loan. Occupancy will be verified, reviewed, and certified by the submission of the following:

1. Proof of occupancy in the form of a copy of a current utility bill; and
2. Statement of unit's continued use as primary residence of the owner.

B. In the event that a homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan becomes due and payable, unless the following conditions are met:

The homeowner who received the loan dies and the heir to the property meets income requirements and intends to occupy the home as his/her principal residence. Upon approval of the Sponsor, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current participation guidelines. If the heir does not meet applicable eligibility requirements, the loan is due and payable. **Note: Loans provided by CalHome are not assumable.**

- C. If a homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.

If the loan is funded with CalHome funds, it is not transferable except under the following limited circumstances:

1. The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
2. A transfer of the Property where the spouse becomes an owner of the property;
3. A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or,
4. A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

3.0. PROPERTY ELIGIBILITY

3.1. CONDITIONS

- A. No unit will be eligible if a household's income exceeds the prescribed income limits listed in Attachment C.
- B. Units to be rehabilitated must be located within the incorporated areas of the Sponsor's jurisdiction.
- C. Property must contain a legal residential structure intended for continued residential occupancy.
- D. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. For CDBG the priority will be the elimination of health and safety hazards. Sponsor may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components. Section 8 Housing Quality Standards may be required on rentals by Sponsor when CDBG funds are used.

3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Tenants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of occupants or public danger or is otherwise undesirable because of the nature of the project. Relocated persons will receive increased housing costs, payment for moving and related expenses and appropriate advisory services, as detailed in the Sponsor's "Residential Anti-displacement and Relocation Assistance Plan" (**Attachment E**).

Owner-occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the Program Operator. In cases where relocation is determined to be necessary by the Sponsor/Program Operator, assistance may be provided for actual costs incurred from the applicant's loan proceeds or as a grant (**see Section 4.4. for allowable grants**). HOME-funded projects will only provide relocation assistance in the form of a grant, which shall be included in the maximum assistance amount.

Note: Relocation benefits are not a requirement under CalHome, but are acceptable and may be covered by loan proceeds.

3.3. NOTIFICATION AND DISCLOSURES - Not required by CalHome

- A. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as follows:

The Lead Hazard Information Pamphlet published by the EPA/HUD/Consumer Product Safety Commission will be given to all owners regardless of the cost of rehabilitation or paint test findings. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption will also be supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report will also be provided (**Attachment D**).

- B. Tenants located in properties that will receive housing rehabilitation will be provided a notice outlining their relocation rights and benefits (**Attachment E**).

4.0. THE PROGRAM LOAN

4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

An eligible homeowner may qualify for the full cost of rehabilitation/reconstruction work needed to comply with State and local codes and ordinances. Maximum assistance shall not exceed the Sponsor's County maximum HOME Per Unit Subsidy Limits found at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>. Any approved "grant" amount for lead-based paint evaluation and reduction activities, relocation assistance, and allowable activity delivery shall be included in the maximum assistance amount, but will not be a part of the loan. **See Attachment C. For CDBG funded programs the maximum assistance for rehabilitation/reconstruction will not exceed \$190,430. For Programs funded with CalHome funds, the maximum assistance will not exceed the maximum amount identified in the most current NOFA, which will be listed on Attachment C once known. Note: CalHome re-use funds are not subject to grant limits identified in the most recent NOFA.**

4.2. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

- A. Total indebtedness against property shall not exceed 100 percent of after-rehabilitation value as determined by "Estimates of value" or an appraisal, for CDBG or HOME projects. The exception for HOME is per HOME Management Memorandum 13-01 at

<http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml#memos>, wherein the entire HOME assistance amount is granted rather than loaned, due to a lack of any equity after rehabilitation (based on existing loans on the property). If there is any available equity (after-rehabilitation value less existing loans), the HOME assistance, other than for temporary relocation and lead-based paint remediation, will be loaned in an amount equal to that equity, and the remainder will be granted. If existing loans exceed the after-rehabilitation value, then the HOME assistance will all be granted, rather than loaned, to the homeowner. The maximum HOME grant related to lack of equity cannot exceed 25% of the Per Unit Subsidy Limits in Attachment C.

NOTE – All HOME and CDBG reconstruction projects require a full appraisal. An estimate of after-rehab value will be made prior to making a commitment of funds using the method outlined in Section 4.5. Note – This does not apply to CalHome projects.

- B. HOME funded units' after-rehabilitation value shall not exceed the HOME Program Maximum Purchase Price/After-Rehabilitation Value Limits for Sponsor's County as updated by HUD and published on the HCD Website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>. **See Attachment C for current limits.**

For CalHome-funded Programs, the maximum after-rehab value of a home shall be set at 100% of the current median sales price of a single family home in the county in which the CalHome Program is located.

- C. Total indebtedness against property shall not exceed 105 percent of the after-rehabilitation value as determined by an appraisal for CalHome projects. An estimate of After-Rehab Value will be made prior to making a commitment of funds using the method outlined in Section 4.5. Note – This does not apply to HOME or CDBG projects.
- D. Any bid within 10% of the Program Operator's estimate may be selected, otherwise an explanation must be provided to the file for a bid selected exceeding 10% of the estimate.

4.3. RATES AND TERMS

- A. Homeowners are eligible for Deferred Payment Loans (DPL), at zero interest, evidenced by a Promissory Note and secured by a Deed of Trust, with no payback required for 30 years unless the Borrower sells or transfers title or discontinues residence in the dwelling. Payments may be made voluntarily on a DPL, without penalty. **Note: If it is determined by the Sponsor that repayment of a CalHome or CDBG Program loan at the maturity date causes a hardship to the homeowner, the Sponsor may opt the following:**
1. Amend the note and deed of trust to defer repayment of the amount due at maturity, that is balance of the original principal plus the accrued interest, for up to an additional 30 years (at 0% additional interest). This may be offered one time; or,
 2. Convert the debt at loan maturity; that is the balance of the original principal plus any accrued interest, to an amortized loan, repayable in 15 years at 0% additional interest.
- B. In the event that a homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan shall become all due and payable.

- C. If the homeowner dies, and if the heir(s) to the property live(s) in the house and is/are income eligible, the heir(s) may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir(s) qualifies for under current participation guidelines. Note: CalHome loans are not assumable.
- D. If the homeowner dies and the heir(s) is/are not income eligible, the loan becomes all due and payable. Note – CalHome loans are not assumable.
- E. If a homeowner converts the rehabilitated property to any residential-rental, commercial or non-residential use, the loan becomes all due and payable.
- F. As specified in the Rehabilitation Loan Agreement, all applicants who participate in the Program must maintain the property at post-rehabilitation conditions for the term of the loan. Should the property not be maintained accordingly, the loan shall be considered in default and becomes all due and payable, and if necessary, foreclosure proceedings will be initiated. A method of inspection will be established by the Sponsor.
- G. For CalHome, loans are not assumable. The following transfers of interest shall not require the repayment of the CalHome Program loan:
 - 1) transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;
 - 2) a transfer in which the transferee is a person who occupies or will occupy the property, which is:
 - (i) a transfer where the spouse becomes an owner of the property;
 - (ii) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - (iii) a transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

4.4. GRANTS

- A. CDBG funded Programs may provide grants as follows:
 - 1. Grants are available for any of the following qualifying factors, up to a maximum of \$15,000:
 - (a) Senior Citizen - at least 62 years old; or
 - (b) Handicapped - only for handicap modifications to a house with one or more physically handicapped occupants who would function more independently if such modifications were installed; or
 - (c) Lowest HUD Low/Mod individual – with gross annual income less than 50 percent of County median income; or

- (d) Curb, gutter and sidewalk – when curb, gutter and/or sidewalk are required by City code; or
 - (e) Building permit and/or school fees; or
 - (f) Emergencies – failure of a major household component that would require the participant to live without basic plumbing, electrical, heating, cooling, or security. (These funds are not for use during a normal rehabilitation, they are for true emergency situations, such as a failed sewer line or water heater, blown electrical panel, etc)
- 2. Grants of up to \$10,000 are available for Fire Sprinkler installation and associated costs – for reconstruction projects, as required by CCR, Title 24, Part 2.5 of the 2010 California Residential Code.
 - 3. Grants are available for the repair, replacement, or abandonment of domestic water wells and/or associated costs (such as water pump lowering) based on invoices from contracted well drillers and/or water pump installers. The Program Operator must approve a total cost estimate from a contracted well driller and/or water pump installer prior to financing approval to ensure cost reasonableness.
 - 4. Grants of up to \$25,000 are available for Equity maintenance, if financing rehabilitation entirely with a loan would cause indebtedness to exceed 100% of after-rehabilitation value.
 - 5. Grants of up to \$7,500 are available for Asbestos containment and/or removal.
- B. HOME-funded projects include grants, if necessary to cover the costs of financing in excess of available equity. Available equity will be determined by subtracting the current total indebtedness from the after-rehabilitation value. Grants provided may be up to 25 percent of the applicable HUD Per Unit Subsidy Limits established pursuant to 24 CFR 92.250 (a). This grant amount is in addition to any grant funds provided pursuant to Section 4.4.C. and 4.4.D.
 - C. HOME and CDBG provide grants for all actual costs of lead-based paint evaluation and reduction activities.
 - D. HOME and CDBG provide grants for relocation assistance. See Relocation Assistance Plan, **Attachment E**.
 - 1. Owner-Occupant – Limit of \$5,000.
 - E. **Grants are not available in CalHome-funded Programs.**

4.5. APPRAISAL

- A. The After-Rehab Value for rehabilitation projects is determined using the “Estimate of Value” method. The Sponsor or Program Operator determines estimates of value based on the sale prices of at least three (3) comparable properties, sold within the last six months (within one year of the assistance date, which is the date the promissory note is signed), and if possible located within one mile of the subject property. The participants’ file will include the estimate of value and document the basis for the value estimates. The purpose of the “Estimate of Value” method is to determine that the after-rehabilitation value of the housing unit will not

exceed the applicable HOME Value Limit per HOME Program regulations (**See Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above. If three comparable properties cannot be found, or if there is any question regarding the after-rehab value, the ARV must be determined by a licensed appraiser, as described in Section 4.5.B. below.

- B. A licensed appraiser determines the after-rehab value for rehabilitation projects, when the "Estimate of Value" method cannot be used. For rehabilitation projects, the appraiser determines the value of the unit with the rehabilitation building plans and specifications included. For CDBG and HOME, the cost of the appraisal will be paid by the Sponsor, not by the homeowner. For CalHome, the cost of the appraisal will be included in the Borrower's loan. The purpose of the appraisal is to determine that the after-rehab value of the housing unit will not exceed the applicable HOME Value Limit per HOME Program regulations (**See Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.
- C. The After-Rehab Value for reconstruction projects is determined by a licensed appraiser. The After-Rehab Value for reconstruction projects is determined by an appraisal completed off the building plans and specifications for the new home. For CDBG and HOME, the cost of the appraisal will be paid by the Sponsor, not by the homeowner. For CalHome, the cost of the appraisal will be included in the Borrower's loan. The purpose of the appraisal is to determine that the after-rehabilitation value of the housing unit will not exceed the applicable HOME Value Limit per HOME Program regulations (**See Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.

4.6. INSURANCE

4.6.1. FIRE INSURANCE

The homeowner shall maintain fire insurance on the property for the duration of the Program loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the Sponsor as Loss Payee for the amount of the Program loan(s). Evidence of this shall be provided to the Sponsor. Note: For CDBG, the premium may be paid by the Program loan for one year. HOME and CalHome funds cannot be used to pay insurance at any time.

4.6.2. FLOOD INSURANCE

For homes in a 100-year flood zone, the owner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the Sponsor as Loss Payee and a binder shall be provided to the Sponsor and maintained in the Borrower's file. Note: For CDBG, the premium may be paid by the Program loan for one year. **HOME and CalHome funds cannot be used to pay insurance at any time.**

4.7. LOAN SECURITY

- A. Loan security for all owner-occupied rehabilitation stick-built homes will be secured by the real property and improvements, and will also include a Deed of Trust, Promissory Note and Loan Agreement in favor of the Sponsor.
- B. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien, and will also include a Promissory Note and Loan Agreement.
- C. Entering a subordinate lien is acceptable. However, the Sponsor will not subordinate a first lien position once established.

5.0. PROGRAM LOAN SERVICING AND MAINTENANCE

5.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, without penalty.

5.2. RECEIVING LOAN REPAYMENTS

- A. Program loan payments will be made to:

City of Orange Cove
633 Sixth Street
Orange Cove, CA 93646

- B. The Sponsor will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's appropriate Program Income Account, as required by all three HCD Programs. The Program Sponsor will accept loan payments from Borrowers prepaying deferred loans, from Borrowers making payments in full upon sale or transfer of the property, and homeowners of tenant occupied units. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

5.3. LOAN SERVICING POLICIES AND PROCEDURES

See **Attachment F** for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts Borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

5.4. LOAN MONITORING PROCEDURES

Homeowners will be required to submit each of the following to the Sponsor, annually, for the term of the loan, which will be reviewed and certified by the Sponsor or its designated Loan Servicing Agent at the time of annual occupancy verification per Attachment F:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

5.5. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the Program Foreclosure Policy adopted by the Sponsor, and attached to these guidelines as **Attachment G**.

5.6. SUBORDINATIONS

The Sponsor may approve a request to subordinate a loan, in order for the owner to refinance the property, under the following conditions:

- A. The lien position of the Sponsor loan will remain the same or be advanced.
- B. The new primary loan is no greater than the balance of the loan being refinanced, except the costs of refinancing the loan may be added to the principal balance.
- C. The purpose of the new primary loan is to reduce the interest rate being paid and/or reduce the owner's payment.
- D. The refinanced loan must have an impound account for taxes and insurances.
- E. The refinancing terms must be acceptable to the Sponsor.
- F. Only CDBG allows refinancing with CDBG funds in conjunction with rehabilitation of the unit

6.0. CONSTRUCTION

6.1. STANDARDS

- A. All repair work will meet Local Building Code standards. For CDBG and CalHome, the priority will be the elimination of health and safety hazards. Sponsor may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, all

health and safety hazards must be eliminated and the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components.

B. Contracting Process

1. Contracting will be done on a competitive basis.
2. The homeowner will be the responsible agent, but the Sponsor and/or its Program Operator will prepare the work write-up, prepare and advertise the bid package, and assist the owner in negotiating the construction contract.
3. The Sponsor does not warrant any construction work, or provide insurance coverage.

C. Approved Contractors

1. Contractors are required to be licensed with the State of California, and be active and in good standing with the Contractors' License Board and the Sponsor.
2. Contractors will be checked against the Federal System for Award Management (SAM.gov) for debarred status. No award will be granted to a contractor on the Excluded Parties List System (EPLS).
3. Contractors must have public liability and property damage insurance, and worker's compensation, unemployment and disability insurance, to the extent required by State law.
4. Contractor must agree to comply with all federal and state regulations.

D. Sweat Equity Labor

The Sponsor does not allow sweat equity participation.

E. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as identified in Section 3.3.A. **Note: Units funded solely with CalHome funds are not required to comply with LBP regulations.**

F. Units constructed prior to 1978 will also be inspected according to the following HUD regulations. **Note: Units funded solely with CalHome funds are not required to comply with LBP regulations.** For CDBG funded Programs needing guidance, please refer to Chapter 20 in the CDBG Grant Management Manual, Lead-Based Paint Requirements.

1. If the total amount of Federal assistance or the total amount of rehabilitation hard cost is up to and including \$5,000, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Clearance of disturbed work areas; and
 - (c) Notifications listed in Section 3.3.A.
2. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$5,000 up to and including \$25,000, the following is required:
 - (a) Paint testing or presume LBP;

- (b) Risk assessment; and
- (c) Clearance of unit.

If LBP hazards are identified, interim controls will be implemented. This level will also require a notice of "Abatement of Lead Hazards Notification" at least five days prior to starting work.

3. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$25,000, the following is required:
 - (a) Items (a), (b), and (c) of 2. above;
 - (b) Abatement of all LBP hazards identified or produced;
 - (c) Use of interim controls on exterior surfaces not disrupted by rehab; and all notices listed above in Sections 3.3.A. and 6.1.F.2.
4. All paint tests that result in a negative finding of lead-based paint are exempt from any and all additional requirements. If defective paint surfaces are found, they will be properly treated or abated. A State-certified Inspector/Assessor will perform all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers will perform all abatement.

6.2. ELIGIBLE CONSTRUCTION COSTS

"Rehabilitation" means, in addition to the definition in Section 50096 of the Health and Safety Code, repairs and improvements to a manufactured home necessary to correct any condition causing the home to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes room additions to alleviate overcrowding. Rehabilitation also means repairs and improvements where necessary to meet any locally-adopted standards used in local rehabilitation Programs. Rehabilitation does not include replacement of personal property.

Rehabilitation includes reconstruction. Federal law and policy allows the use of HOME funds to demolish and reconstruct owner-occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The Sponsor and/or Program Operator must document that the reconstruction costs are less than the cost to rehabilitate the existing substandard housing. This will be done using the State's Test for Reconstruction (see Attachment J).

Additionally, for HOME- and CalHome-funded projects the Sponsor must determine that the project's value after reconstruction (housing and land combined) is less than the Maximum After-Rehabilitation Value for the Sponsor (see Attachment C).

The residential structure to be reconstructed must be a structure with cooking, eating, sleeping, and sanitation facilities which has been legally occupied as a residence within the preceding 12 months. Fifth wheels or recreational vehicles, for example, are not considered dwellings and therefore are not eligible under this Program.

For HOME, like for like requires that the structure being demolished must be replaced with a like structure (replace manufactured housing with manufactured housing, for example). However,

additions may be approved by the HCD Program when required by Codes/Ordinances or to alleviate overcrowding. **(See Attachment C)**

Temporary relocation benefits must be planned for and budgeted into the total allowable subsidy for the project, but if required would be in the form of a grant.

Depending on the outcome of the Statutory Worksheet (Environmental test), a reconstructed project may require Authority from the State before funds are committed to the project.

Allowable rehabilitation\reconstruction costs include:

- A. Cost of building permits and other related government fees.
- B. Cost of architectural, engineering, and other consultant services which are directly related to the rehabilitation of the property.
- C. For CDBG and CalHome, costs associated with the repair, replacement, or abandonment of domestic water wells and/or associated costs (such as water pump lowering).
- D. Rehabilitation or Replacement of a manufactured home not on a permanent foundation. Rehabilitation of a manufactured home may include the replacement of the unit with a used manufactured home and the cost to repair it, as long as the unit has been occupied and not used as a demonstration model. Should the unit meet the criteria for reconstruction a new manufactured home can be used for replacement and all cost associated with the purchase and transportation can be added to the loan. For CalHome and CDBG, manufactured housing on permanent foundations may be replaced by stick built structures.

CalHome requires the following for manufactured housing/mobile home to stick built replacements:

- 1. Verification that the owner of the mobile home is also the landowner. The registration certificate and a preliminary title report must be submitted with the Borrower summary package. Any past due registration fees must be paid.
 - 2. Provide written justification as to why the mobile home is being replaced and not repaired.
 - 3. Ensure the new structure is "reasonable" for the size of the current household.
- E. Owner-occupied rehabilitation activity delivery fees, pursuant to Section 7733(f), as reimbursement to the Sponsor for the actual costs of services rendered to the homeowner that are incidentally but directly related to the rehabilitation work (e.g. planning, engineering, construction management, including inspections and work write-ups). Activity delivery fees are considered part of the total financing; however, are not part of the loan to the Borrower.
 - F. Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.
 - 1. Health and Safety Issues

Eligible costs include, but are not limited to, energy-related improvements, lead-based paint hazard evaluation and reduction activities, improvements for handicapped accessibility, repair

or replacement of major housing systems. A driveway may be considered part of rehabilitation if it is determined to be a health and safety issue. Note – CalHome energy-related improvements must be done in conjunction with a related and CalHome eligible repair.

2. Code and Regulation Compliance

Eligible costs include, but are not limited to, additional work required to rehabilitate and modernize a home, and bring it into compliance with current building codes and regulations. Painting and weatherization are included.

3. Demolition

Eligible costs include, but are not limited to, the tear down and disposal of dilapidated structures when they are a part of the reconstruction of an affordable housing unit. 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.

4. Upgrades

Eligible costs include additional bedrooms and bathrooms if the need can be demonstrated per HUD's or Sponsor's overcrowding guidelines. (See Attachment C). The Program will not fund additions to a home for a den or family room, or for any luxury items.

5. General Property Improvements

General property improvements may include replacement of a stove, oven, refrigerator, dishwasher, and/or garbage disposal; and repair or installation of fencing. Items such as refrigerators, stoves, and dishwashers that are not built in may be replaced due to incipient failure, or documented medical condition of the homeowner, and must be of moderate quality. Luxury items (i.e., granite countertops) and certain free standing appliances (i.e., washers and dryers) are not allowed.

For HOME and CalHome, replacement of a refrigerator is not allowed. For CalHome, repair or installation of fencing is not allowed.

All improvements must be physically attached to the property and permanent in nature. Non-code property improvements (fencing, landscaping, driveway, etc.) will be *limited to 15 percent* of the rehabilitation financing amount. (Note – CalHome funds generally may not be used for non-code property improvements.) Any cash contribution by the property owner will be considered a general property improvement and be included in this percentage.

6. Rehabilitation Standards

All repair work related to health and safety conditions will meet Local Building Code standards. The priority will be the elimination of health and safety hazards and code compliance.

6.3. ELIGIBLE PROJECT COSTS/ACTIVITY DELIVERY COSTS

Examples of eligible project related costs for all expenses related to the paperwork for processing and insuring a loan application are listed below. For HOME, these costs are considered activity delivery costs and may not be charged to the homeowner's loan.

- Appraisal
- Property Report/Title Insurance
- Building Plan
- Termite Report
- Land Survey
- Grading Plan
- Recording Fees
- Flood Insurance, as applicable (not allowed with CalHome or HOME funds)

Costs are based on charges currently incurred by the Sponsor, or the Program Operator, for these products and/or services. For CDBG and CalHome, any cost increases charged to the Sponsor/Program Operator for these products and/or services will be passed on to the homeowner and included in the loan. All fees are subject to change and are driven by the market.

6.4. REPAIR CALLBACKS

Contractors will comply with State law regarding all labor and material warranties. All labor and material shall meet FHA minimum specifications.

7.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES**7.1. AMENDMENTS**

The Sponsor may make amendments to these Participant Guidelines. Any changes made shall be in accordance with federal and state regulations, shall be approved by the Sponsor's Loan Committee and/or local governing body and submitted to HCD for approval.

7.2. EXCEPTIONS

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

7.2.1 PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its Program Operator may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's/Program Operator's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for decision.

8.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES**8.1. PROGRAM COMPLAINT AND APPEAL PROCEDURE**

Complaints concerning the Sponsor's Rehabilitation Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Sponsor's Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the local governing body. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

8.2. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration.

ATTACHMENT A**24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS – FOR HOME & CDBG****24 CFR Part 5 Annual Income Inclusions****§5.609 Annual income.**

(a) *Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) 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, 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 paragraph (b)(2) of this section. 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) 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 amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) 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) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) 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) 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 as provided in paragraph (b)(5) of this section);
- (4) 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 a live-in aide, as defined in §5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8)
 - (i) Amounts received under training programs funded by HUD;
 - (ii) 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);
 - (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (iv) 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;
 - (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs 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;

- (9) Temporary, nonrecurring or sporadic income (including gifts);
 - (10) 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;
 - (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - (12) Adoption assistance payments in excess of \$480 per adopted child;
 - (13) [Reserved]
 - (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
 - (15) 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) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
 - (17) 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 includes 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 PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing> for most recent notice]
- (d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT A-1**Title 25 Section 6914 Gross Income Inclusions – For CalHome activities**

“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;

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.

Title 25 Section 6914 Gross Income Exclusions

(b) 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) Relocation payments made pursuant to federal, state, or local relocation law;
- (7) Foster child care payments;
- (8) The value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is an excess of the amount actually charged the eligible household;
- (9) 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 B**PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS**

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Statements from 24 CFR Part 5 – Last Modified: January 2005

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

HOME MAXIMUM PURCHASE PRICE / AFTER-REHAB VALUE LIMIT
HOME Program Limits as of 4/1/20

COUNTY NAME	Existing	Newly Constructed (less than 12 months old)
FRESNO	\$265,000	\$323,000

CALHOME MAXIMUM SALES PRICE / VALUE LIMIT

For homes assisted with a CalHome Program loan, the maximum allowable sales price or the maximum after-rehab value of a home shall be set at 100% of the current median sales price of a single family home in the County in which the CalHome Program is located. The source of the data for the maximum sales price/value limits that will be used will be the FHA 203(b) one-family limits.

HOME STATEWIDE PER UNIT SUBSIDY LIMITS

HOME Program Limits as of 6/4/2020

0 Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
\$150,314	\$175,752	\$213,718	\$276,482	\$303,490

CURRENT INCOME LIMITS FOR THE AREA (FOR HOME/CDBG)

(CDBG effective 6/28/19, HOME effective 7/1/20)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400	\$64,850	\$69,350	\$73,800

*Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml> (for HOME and CDBG limits, choose "State CDBG and HOME Income, Value and Rent Limits"; for CalHome income limits, choose Official State Income Limits.

**SPONSOR STANDARDS FOR BEDROOM AND BATHROOM ADDITIONS TO ALLEVIATE
OVERCROWDING**

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
---	-----------------------	------------------------

1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Children may share a bedroom, up to 2 children per bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom is allowable.
- 8 or more people – a third bathroom is allowable.
- Same rules apply to mobile home units.

The chart above is used as a guide to overcrowding.

ATTACHMENT D**HOUSING REHABILITATION MARKETING PLAN****SUMMARY**

The Sponsor will continue its efforts to market the Housing Rehabilitation Program in a manner that will reach all community members.

All marketing related to the Housing Rehabilitation Program is publicized in both English and Spanish. All marketing materials include information identifying the Sponsor's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the Sponsor identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the Sponsor's demographics. Should the Sponsor find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings
- Local Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

ATTACHMENT E**RESIDENTIAL ANTI-DISPLACEMENT AND TEMPORARY RELOCATION PLAN
Version 2**

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) funds or Home Investment Partnership (HOME) funds to follow a written Residential Anti-displacement and Relocation Assistance Plan (Plan) for any activities which could lead to displacement of occupants whose property is receiving funds from these or other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the City of Orange Cove (Sponsor) with the requirements of federal regulations 24 CFR 570.606 under state recipient requirements and Section 104(d) of the Housing and Community Development Act of 1974 and 24 CFR 92 of the HOME federal regulations. The Plan will outline reasonable steps, which the Sponsor will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The Sponsor's governing body has adopted this plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following Program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the Sponsor's jurisdiction limits.

The Sponsor will provide permanent relocation assistance to all eligible "displaced" households either owner occupied or rental occupied units which are permanently displaced by the housing rehabilitation Program (**See Section E below.**). In addition, the Sponsor will replace all eligible occupied and vacant occupiable low income group dwelling units demolished or converted to a use other than low income group housing as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in the Federal Regulations 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All Sponsor Programs/projects will be implemented in ways consistent with the Sponsor's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The Sponsor will provide equal relocation assistance available 1) to each HUD Low/Mod individual household displaced by the demolition or rehabilitation of housing or by the conversion of a HUD Low/Mod individual dwelling to another use as a direct result of assisted activities; and 2) to each separate class of HUD Low/Mod individual persons temporarily relocated as a direct result of activities funded by HUD Programs.

A. Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities

Consistent with the goals and objectives of activities assisted under the Act, the Sponsor will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD Programs:

1. Provide proper notices with counseling and referral services to all tenants so that they understand

their relocation rights and receive the proper assistance. When necessary, assist permanently displaced persons to find alternate housing in the neighborhood.

2. Stage rehabilitation of assisted households to allow owner occupants and/or tenants to remain during minor rehabilitation.
3. Encourage owner investors to temporarily relocate tenants to other available safe and sanitary vacant units on the project site area during the course of rehabilitation or pay expenses on behalf of replaced tenants.
4. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
5. When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.

B. Lead Based Paint Mitigation Which Causes Temporary Relocation:

On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control went into effect. Among other things, it requires that federally-funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. **At no time should the tenant-occupant(s) be present in work areas or designated adjacent areas while LHC activities are taking place in any dwelling unit interior, common area, or exterior.** As such, occupants may not be allowed to remain in their units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards has been completed, and the unit passes clearance, the occupants can return. **The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results.** The final rule allows for certain exceptions: Programs:

1. The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
2. The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
3. The interior work will be completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the home; or
4. The interior work will be completed within five (5) calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 feet of the worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation assistance is not provided because the Sponsor believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the Sponsor to ensure that the owner occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) will be strongly encouraged to relocate even for just a few

days until a final lead clearance can be issued by a certified lead based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation assistance as those who are relocated because of substantial rehabilitation or reconstruction activities.

C. Temporary Relocation of Owner Occupants:

Owner occupants are not allowed to stay in units which are hazardous environments during lead based paint mitigation. When their home is having lead based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation assistance up to \$5,000, which will be provided as a grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family will be eligible for temporary relocation assistance up to \$5,000, which will be provided as a grant.

The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation assistance form (**See Appendix C**) to document that the owner occupant understands that they must relocate during the course of construction and what expenses they wish to be reimbursed for as part of their relocation. Relocation Assistance is a reimbursement of actual expenses and must be supported by invoices. In addition, all relocation costs must be allocable and reasonable. Multiple options related to moving expenses and rental units will be explored and the lowest cost option will be selected. Owner occupants are encouraged to seek free moving assistance. If free assistance is not available, the owner occupant's family and friends can be reimbursed as long as documentation exists in the participant file showing the cost to be less than the alternatives (i.e., moving company, moving/storage pod, etc.). Relocation for a rental unit will be based on reasonableness of accommodations and market rents.

At the time of doing the work write-up, the Sponsor and Owner occupant will estimate the cost for temporary relocation. If unforeseen circumstances make it appear that the estimated amount will not cover the cost of temporary relocation, written change orders will be required. The change order will state the change and dollar value for the change. The change order must be signed by both the contractor and the Owner occupant, and submitted to the Program Operator and Sponsor for signature approval. If the change order exceeds the approved grant amount, a report and request for additional Temporary Relocation grant funds may be presented to the Sponsor's Loan Review Committee for approval prior to the Program Operator signing-off on the change order.

D. Temporary Relocation of Residential Tenants:

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The contract administrator or rehabilitation specialist will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original unit being rehabilitated at the same rent or lower. He or she may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred. The housing rehabilitation loan specialist and/or the rehabilitation specialist will ensure that each tenant-occupied unit under the Program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received) and the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant-

occupied unit will have a temporary relocation assistance form completed for them. **(See Appendix C).** These notices will document that each tenant understands what their relocation rights are, and if they must relocate during the course of construction, that they receive the proper counseling and temporary relocation assistance.

A tenant receiving temporary relocation shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - b. Packing, crating, unpacking, and uncrating of personal property;
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - f. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft or damage is not reasonably available;
 - g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
 - h. Any costs of credit checks required to rent the replacement dwelling;
 - i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

E. Rehabilitation Activities Requiring Permanent Displacement

The Sponsor's rehabilitation Program will not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this plan. If a case of permanent displacement is encountered, then the staff responsible for the rehabilitation Program will consult with Sponsor's legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant will be

hired to do the counseling and assistance determination and implementation. If local staff does wish to do the permanent displacement activity then they will consult and follow the HUD Relocation Handbook 1378.

F. Rehabilitation Which Triggers Replacement Housing

If the Sponsor's rehabilitation Program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended applies and the Sponsor is required to replace those lost units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the Sponsor must document that any lost units are replaced and any occupants of reduced units are given permanent relocation assistance. (This does not apply to reconstruction or replacement housing done under a rehabilitation Program where the existing unit(s) is demolished and replaced with a structure equal in size without the loss in number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the Sponsor to provide funds for an activity that will directly result in such demolition or conversion, the Sponsor will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

1. A description of the proposed assisted activity;
2. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as HUD Low/Mod individual dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a HUD Low/Mod individual dwelling unit for at least 10 years from the date of initial occupancy; and,
7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of HUD Low/Mod individual households in the jurisdiction.

The Program Operator for the Sponsor is responsible for tracking the replacement of housing and ensuring that it is provided within the required period. The Sponsor is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any HUD Low/Mod individual displaced by the demolition of any dwelling unit or the conversion of a HUD Low/Mod individual dwelling unit to another use in connection with an

assisted activity.

G. Record Keeping and Relocation Disclosures/Notifications

The Sponsor will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable Program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below is only for temporary relocation. If permanent relocation is involved, then other sets of notice, noticing process, and relocation assistance must be applied. (See HUD relocation handbook 1378 for those forms and procedures.) The Temporary Relocation Advisory Notices to be provided are as follows:

1. General Information Notice: As soon as feasible when an owner investor is applying for Federal financing for rehabilitation, reconstruction, or demolition, the tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present house upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons. **See Appendix A for sample notice to be delivered personally or by certified mail.**
2. Notice of Non Displacement: As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation assistance because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance. **See Appendix B for sample notice to be delivered personally or by certified mail.**
3. Disclosure to Occupants of Temporary Relocation Assistance: This form is completed to document that the Sponsor is following its adopted temporary relocation plan for owner occupants and tenants. **See Appendix C for a copy of the disclosure form.**

4. Other Relocation/Displacement Notices: The above three notices are required for temporary relocation. If the Sponsor is attempting to provide permanent displacement assistance then there are a number of other forms which are required. Staff will consult HUD's Relocation Handbook 1378 and ensure that all the proper notices are provided for persons who are permanently displaced as a result of housing rehabilitation activities funded by CDBG or other federal Programs.

APPENDIX A

Dear _____,

On (date), (property owner) submitted an application to the _____ for _____ financial assistance to rehabilitate the building which you occupy at (address).

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact (name), (title), at (telephone number), (address).

Sincerely,

(name)(title)

APPENDIX B

(date)

Dear _____:

On (date), we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On (date), the owner's request was approved, and the repairs will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain until after construction is completed. If increased after construction is done, your new rent and estimated average utility costs will not exceed local fair market rents for your community. Of course, you must comply with all the other reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact (name), (title), at (phone #), (address). Remember; do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name and title)

APPENDIX C**DISCLOSURE TO OCCUPANT OF TEMPORARY RELOCATION ASSISTANCE***Top to be completed at time of loan application submittal or Home Visit*

Property Address: _____
 ___ Rental Unit ___ Owner/Occupied Unit

The rehabilitation loan specialist working on behalf of the City of _____ has explained the temporary relocation services and assistance available under the current rehabilitation Program relocation plan.

I/we have been advised that the City of _____ rehabilitation construction specialist will inform me if I need to be temporarily relocated and will to assist me with scheduling any necessary moves and answer any questions about assistance as needed.

Acknowledged:

 Occupant Signature Date Occupant Signature Date

Complete this at time of acceptance of Work Write Up with initials by occupant

The rehabilitation construction specialist for the City of _____ has explained the Rehabilitation Scope of Work for our house and I/we agree that it will:
 ___ Not require I/we to be relocated. (If initialed then STOP here and sign bottom.)
 ___ Yes, I/we need to be temporarily relocated. (Complete rest of form if initialed.)

Start date and duration of relocation:

___ Starting on or about _____ we will move for all or part of the rehabilitation project.
 ___ Approximate length of temporary relocation: _____ Number of days.

For temporary relocation, I/We elect to (check all that apply):

- ___ Relocate with friends and family.
 ___ Relocate into a suitable temporary housing unit identified by rehab specialist.
 ___ Relocate furnishings only into a temporary storage unit.

___ I/We have been told what our relocation assistance is and elect **Not** to be reimbursed for any eligible relocation expenses.

___ I/We have been told what our relocation assistance is and want to be reimbursed for: _____

By signing, occupant(s) acknowledge receipt of copy of this form:

 Occupant Signature Date Occupant Signature Date

ATTACHMENT F

LOAN SERVICING POLICIES AND PROCEDURES FOR THE CITY OF ORANGE COVE

The City of Orange Cove, hereafter called "Sponsor," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Sponsor will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Sponsor has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The Sponsor may, at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program. For CalHome, the Sponsor must obtain prior approval from HCD and must provide HCD a copy of the contract.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan; 8) the Sponsor as Senior Lienholder; and 9) processing of demands and payoffs.

1. Loan Repayments:

The Sponsor will collect monthly payments from those Borrowers who are obligated to do so under Notes that are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly due date.

For Notes that are deferred payment loans, the Sponsor must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

At time of completion, the funds expended on a housing unit will be compared to the Note amount. Any funds not expended at completion will be considered a "principal reduction" and will be applied to the principal loan balance thereby lowering the amount owed by the Borrower. Borrowers will receive a closeout letter after the 30-day retention period indicating the amount of their Note, the credit, and the ending balance on their loan. A copy of this credit along with the final cost break-down will be retained in the Borrower's file.

The State HOME Program "HOME" has selected the Recapture option of ensuring the affordability of housing acquired by HOME-assisted homebuyers.

There is no affordability period in the Sponsor's Housing Rehabilitation Program; therefore, all payments and payoffs received are Program Income.

Recaptured funds and Program Income do not have to be expended on the same type of activity as that from which the funds were generated, but they are required to be expended on other HOME activities before any new HOME funds can be drawn down from the Treasury (24 CFR 504(c)(viii)).

Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the affordability period. Note – This does not apply to CDBG and CalHome assistance.

For HOME-assisted loans approved by the Sponsor under the First-Time Homebuyer Program, the HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Sponsor as loss payee. If Borrower fails to maintain the necessary insurance, the Sponsor may use non-grant funds to take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the Sponsor as loss payee will be required at close of escrow. The Sponsor must verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, the Sponsor may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Sponsor encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Sponsor's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Sponsor's loan. This document requires any senior lienholder listed in the notice to notify the Sponsor of initiation of a foreclosure action. The Sponsor will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Sponsor can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Verification:

On owner-occupant loans, the Sponsor requires that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan.

Occupancy will be verified, reviewed and certified by the submission of the following:

- Proof of occupancy in the form of a copy of a current utility bill; and
- Statement of unit's continued use as primary residence of the owner.
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Sponsor in writing of any change. Sponsor, or its designated Loan Servicing Agent, and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families.

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Sponsor's Loan Committee (depends on the HCD Program). Note – CalHome loans are not assumable.

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan is due and payable. All such changes are subject to the review and approval of the Sponsor's Loan Committee. Note – CalHome loans are not assumable.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Sponsor allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan

balance is due and payable.

For CalHome, the following transfers of interest shall not require the repayment of the CalHome Program loan:

- A. transfer to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;
- B. a transfer, in which the transferee is a person who occupies or will occupy the property, which is:
 - 1) a transfer where the spouse becomes an owner of the property;
 - 2) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the property; or
 - 3) a transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the Borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

- A. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
- B. not have a temporary interest rate buy-down;
- C. have a term "all due and payable" that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
- D. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; or 4) default on senior loans; the Sponsor, or its designated Loan Servicing Agent, will send out a letter to the Borrower notifying them of the default situation. If the default situation continues, the Sponsor may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Sponsor is notified via a Request for Notice

of Default, the Sponsor, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Sponsor must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Sponsor may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Sponsor determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Sponsor does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Sponsor can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

8. Sponsor as Senior Lienholder

When the Sponsor is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor's staff will consider the following factors before initiating foreclosure:

- A. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- B. Can the Borrower refinance with a private lender and pay off the Sponsor?
- C. Can the Borrower sell the property and pay off the Sponsor?
- D. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- E. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Sponsor may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Sponsor to

prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor could sell the home themselves under a homebuyer Program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Sponsor could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

9. Process Demands and Payoffs:

Requests for demands and payoffs will be processed within the time frame allowed by law. Sponsor or its designated Loan Servicing Agent is proficient in performing the related calculations. Reconveyance and lien releases would be prepared for processing by a qualified Title Company.

ATTACHMENT G

CITY OF ORANGE COVE'S FORECLOSURE POLICY

Sponsor As Junior Lienholder

It is the City of Orange Cove's (Sponsor's) policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties financed by a loan.

This document requires any senior lienholder to notify the Sponsor of initiation (recording of a "Notice of Default") of a foreclosure only. This is to alert the junior lienholder that they are to monitor the foreclosure with the senior lienholder. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it would be in their best interest to contact both senior lienholders regarding the status of their loans.

The junior lienholder may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges, advances (fire insurance premiums, property taxes, property protection costs, etc.), and foreclosure costs (fees for legal counsel, recordings, certified mail, etc.)

Once the Sponsor has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lienholder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the home for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

Sponsor As Senior Lienholder

When the Sponsor is in a first position, or the senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor staff will consider the following factors before initiating foreclosure:

- Can the loan be cured (brought current or paid off) by the owner without foreclosure?

- Can the owner refinance with a commercial lender and pay off the Sponsor?
- Can the owner sell the property and pay off the Sponsor?
- Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Sponsor may opt to initiate foreclosure. The owner must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor would then contact a real estate broker to market the home.

ATTACHMENT H

CERTIFICATION OF OCCUPANCY

CITY OF ORANGE COVE

I/We _____ declare as follows:

(Please Print Occupant/Borrower's Name(s))

That I/we am/are currently occupying as my/our principal place of residence the real property commonly known as:

(Address)

(City, State, Zip code)

Daytime Phone Number: _____

Executed on _____, 20____, at _____, CA
(Date) (City)

I/We declare under penalty of perjury that the foregoing is true and correct.

Signature(s) of all occupants:

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

ATTACHMENT I**LEAD-BASED PAINT****VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM**

Section 1: Background Information			
Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>
Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.			
Visual Assessment Date:		Report Date:	
Check if no deteriorated paint found <input type="checkbox"/>			
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers and common areas and building components (including type of room or space, and the material underneath the paint).			
Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.			
Date of Presumption Notice:			
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>			
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.			
Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.			
Date of Hazard Reduction Notice:			
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>		Start & Completion Dates:	
If "No", dates of previous Hazard Reduction Activity Notices:			
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and the types of lead-based paint hazard reduction activities performed at the location listed.			
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.			
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)			
Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity and Acknowledgement of Receipt of pamphlet <i>Protection Your Family from Lead in Your Home</i>.			
Printed Name:		Signature:	Date:
Section 6: Contact Information		Organization:	
Contact Name:		Contact Signature:	
Date:	Address:		Phone:

ATTACHMENT J

TEST FOR RECONSTRUCTION

Jurisdiction: _____ **Test Prepared By:** _____
Program: _____ **Date Submitted to HCD:** _____
Contract #: _____ **Date Received by HCD:** _____
HCD Rep: _____ **Representative Initial and Date:**
Manager Initial and Date:

Property Address

Part A

1. Does the structure meet the definition of a dwelling? Yes ☐ No ☐
 A dwelling must have cooking, eating, sleeping and sanitation facilities.
2. Is the site/lot/land owned by the homeowner? Yes ☐ No ☐
3. Is the structure presently occupied by the owner? (Provide proof) Yes ☐ No ☐
4. Is the structure a 5th wheeler? Yes ☐ No ☐

IF "NO" TO #1, #2 or #3, or "YES" to #4, STOP HERE. A Reconstruction is not authorized.

Consult your HCD Representative for possible exceptions.

IF YES TO BOTH QUESTIONS, PROCEED WITH PART B

Part B

1. Is the cost to reconstruct the structure less than the cost of Rehabilitating it? Yes ☐ No ☐
 (Provide documents showing cost estimates for each line item for both Rehab and Reconstruction)

IF YES, SUBMIT THIS COMPLETED FORM WITH THE REQUIRED BACKUP DOCUMENTS TO HCD

<u>REHABILITATION</u>	(Be sure to include all costs for proposed changes, if any, to the number of bedrooms & bathrooms)	<u>RECONSTRUCTION</u>
	Est. Fair Market Value of the Land	
	Estimated Fees	
	Architectural/Engineering/Design	
	Relocation Costs	
	Lead Based Paint Abatement	
	Site Work	
	Demolition	
	Environmental Remediation	
	Structure Construction Costs	
	Other costs _____	
\$0	TOTAL ESTIMATED COSTS	\$0

Have you submitted this "Test" to another HCD Program?

Yes: ☐ No: ☐

Is the structure in a flood plain?

Yes: ☐ No: ☐

Is the proposed footprint the same as the existing footprint?

Yes: ☐ No: ☐

	Current Structure	Proposed Structure
Sq. Footage of Structure:	_____	_____
Number of Bedrooms	_____	_____
Number of Bathrooms	_____	_____

Provide justification for any increases or decreases.

ATTACHMENT K**HOUSING REHABILITATION/RECONSTRUCTION PROGRAM CONTRACTOR
GUIDELINES AND INFORMATION SHEET****SELF-HELP ENTERPRISES****Housing Rehabilitation/Reconstruction Program
Contractor Guidelines and Information Sheet****Introduction**

The mission of Self-Help Enterprises (SHE) is to work together with low-income families to build and sustain healthy homes and communities.

Though known as a top agricultural production region, the San Joaquin Valley has among the highest poverty rates in the State of California with many rural, unincorporated communities lacking adequate housing, water and sewer services. In particular, the people who provide the source of labor for the agricultural fields can find little except substandard housing in existing stock, and have insufficient income to qualify for standard new home loans. Similarly, the low income, elderly, and handicapped often find themselves trapped in substandard housing. Through our programs, staff works with cities, counties and residents to help meet the needs of our participants and the communities they call home.

SHE appreciates your interest in improving the housing conditions of low-income families in the San Joaquin Valley. It is our hope that together we can realize the dream of safe and decent housing for the less fortunate in our community.

A. General Program Information

The aim of the Housing Rehabilitation/Reconstruction Program is to repair or replace houses making life-safety and sanitary upgrades under the standards of the California Building Code (CBC) and the requirements of the State and/or Federal funding sources.

To accomplish this, Self-Help Enterprises (SHE):

1. Assists the jurisdiction to apply for funds providing low-interest financing to eligible Owners so that they can afford to rehabilitate or reconstruct their home or rental unit;
2. Contracts with the jurisdiction to provide technical assistance for the financial and construction aspects of the program; and
3. Keeps projects on schedule, running smoothly, and when problems arise, works with all parties to swiftly resolve those problems.

B. Work Standards

The work must meet all applicable building codes and be done in a competent manner. We expect professional quality. Everything must be functional, visually acceptable, and be built to California Building Performance Guidelines for Residential Construction Standards.

C. Contractor Eligibility

1. Contractors must be licensed in the State of California as a Class B General Contractor and their license must be in good standing with the Contractors' State Licensing Board;

2. California law requires Contractors have a minimum of \$1,000,000.00 liability insurance, worker's compensation, and a valid Contractor Bond. ***Evidence of these must be provided prior to entering into a Construction Contract and insurance must be in force throughout the term of the Contract;***
3. Contractors will be checked against the Federal System for Award Management (SAM.gov) for debarred status. Contractors listed on the Excluded Parties List System (EPLS) are ineligible;
4. Contractors must complete an application;
5. Contractors may be asked to participate in project orientation; and
6. Contractors will receive an evaluation after every project.

D. Contractor Suspension/Elimination from Bid List

A Contractor will be moved to the Inactive Contractor List for the reasons identified below and/or if a performance evaluation results in a Below Standard rating. If not permanently eliminated, a Contractor can submit a request to be reinstated to Active status upon correction of the issue or following the time period found in parenthesis by each reason.

1. Contractor fails to return the annual request for confirmation of interest in remaining on the Active Contractor List (Upon Receipt of Confirmation of Interest)
2. Contractor's license is no longer valid (Upon Proof of Correction)
3. Inability to acquire insurance (Upon Proof of Correction)
4. Failure to finish one or more projects in the time specified in the Contract (One Year)
5. Failure to prove the knowledge and/or ability to perform the work required of any given Contract per the California Building Code (One Year AND Upon Proof of Correction)
6. Quality of work does not meet specifications in the Contract (One Year)
7. Failure to resolve legitimate complaints about the workmanship and/or materials (Permanent Elimination)
8. Evidence of financial problems (One Year AND Proof of Positive Credit/Credit Report)
9. Withdrawal of bids and/or failure to attend bid tours (Six Months)
10. Pressuring Owners to choose a specific Contractor; promising rebates, kickbacks, or additional work not included in the bid documents, or otherwise trying to circumvent the bid process in an unethical or illegal manner (Permanent Elimination)
11. Failure to disclose that the Contractor, or an employee of the Contractor, is the Owner of, or has a financial interest in, the property the Contractor is rehabilitating (Permanent Elimination)
12. Failure to comply with established jurisdiction guidelines and/or standards (Permanent Elimination)

E. Federal/State Requirements

The paperwork required (contracts, bid procedures, payment requisition, etc.) is designed to protect the Contractor's and Owner's interests, and it is far less complicated than the typical federally-funded project.

Three requirements to take note of are:

1. Equal opportunity laws govern the program. Discriminatory practices in the employment of individuals based on race, creed, color, gender, age, religion, or national origin are unacceptable;
2. No jurisdiction or SHE employee can have any direct or indirect financial interest in the work to be performed and cannot have any financial dealings with Contractors or Owners involved in the program; and
3. Neither a Contractor, nor their employee(s) can be the Owner of or have a financial interest in the property, except as an Owner-Builder.

F. Scope of Work

The Owner, working with SHE staff and jurisdiction inspectors, decides on the work. This is specified in the bid documents and any drawings needed.

G. Bid/Contractor Selection

When a home comes up for bid in the area(s) you requested, your name/company will be submitted with other contractors to the family for consideration. If the family selects your name, you will be contacted by a SHE Rehabilitation Specialist to attend a bid tour. Owners have the right to exclude Contractors from the list without justification, and they may request that other qualified Contractors be added. Contractors will be notified via telephone and/or in writing (email, fax, etc.) at least one week prior to each bid tour.

1. Contractors must develop a proven performance record to be awarded multiple contracts. A Contractor develops a proven performance record upon completion of the following steps:
 - a. All new Contractors who have been awarded their first contract under the Housing Rehabilitation Programs operated by SHE are not eligible to receive additional contracts until the awarded contract is completed and project performance is evaluated by the jurisdiction's building official or building inspector and SHE's Rehabilitation Construction Manager or Rehab Specialist (see attached Contractor Project Performance Evaluation).
 - b. After completion and positive evaluation of the first contract, a Contractor may be awarded two contracts but will not be eligible to receive additional contracts until one or both of the two awarded contracts are completed and evaluated.
 - c. Following the completion of three, positively evaluated contracts, a Contractor is considered to have established a proven performance record. Once a Contractor establishes a proven performance record, that Contractor is eligible to bid and receive multiple contracts.
2. Contractors cannot submit a bid on any property in which they have a vested interest. Such a Contractor may act as an Owner-Builder, subject to standard construction procedures. (Owner-Builders are reimbursed for purchased materials which are verified by invoice/receipt and used on the project, but they are not reimbursed for labor. Reimbursement occurs after the work is completed, inspected by the Building Department as required/applicable, and verified by a SHE Rehabilitation Specialist).
3. Homeowners are encouraged to accept the lowest reasonable bid. Reasonableness is determined by comparing the bids received with the cost estimate prepared by the SHE Rehab Specialist. Bids should be within 10% of SHE's cost estimate.
4. The total bid amount is **non-confidential** and available for everyone to see. However, the itemized amounts for each part of the work required with the bid are **confidential**.
5. Construction Contract is between the Owner and Contractor. Neither the jurisdiction nor SHE is a party to the Contract. The Owner pays for all work specified in the Contract from the loan which he or she has received.

H. Change Orders

All changes in the scope of work must be in writing and approved by the Owner, Contractor, SHE Rehab Specialist, and the jurisdiction. No changes to the scope of work should be handled without a written change order. It is not a sound business practice. The Contractor has no guarantee of payment without an approved, written change order.

I. Loan Funds

Loan funds are safe. A construction account is established with SHE for each project. Before the project starts, the loan funds are on deposit. Since no money can be withdrawn without authorization by the Owner and review by SHE, you can be assured that funds are available to cover the amount of the Contract.

J. Payment

Contractor submits an invoice for a progress payment based on work completed. The invoice must be inspected and approved by the Owner and SHE's Rehab Specialist prior to payment of the invoice. Generally a contractor will receive payment by mail within two (2) to three (3) weeks after submitting an invoice.

Ten Percent (10%) of each invoice will be withheld and paid to the Contractor thirty-five days after the Notice of Completion has been recorded and all paperwork has been submitted and pick up/punch list work completed.

We look forward to talking to you more about this opportunity. Please feel free to call the office if you would like more information.

Rich Aicklen
Construction Manager – Housing Rehabilitation
559-802-1645

CONTRACTOR PROJECT PERFORMANCE EVALUATION INSTRUCTIONS

I. Introduction

Contractor performance is defined as how a contractor carries out the obligations of the contract. This includes all requirements stated in the contract scope of work, provisions, and SHE's General Specifications, adherence to the budget or price, and the provision of customer service. The purpose of this document is to establish a standardized process for Self-Help Enterprises (SHE) to identify, document, and communicate performance with contractors and other program, SHE, and City staff. The process used provides staff the ability to identify performance issues, if any, as they arise. The performance evaluation and rating process provides feedback to contractors with below standard, standard, and above standard performance.

Performance evaluations will occur at the end of the life of the contract, no later than 30 calendar days following the final walk-through, clearance of any punch list items, or submission of the contractor's final invoice, whichever occurs later. SHE will email or mail a copy of the results of the evaluation to the contractor for review and comment. The evaluation process is NOT a collaborative process between the contractor and staff. Contractors do not participate in the evaluation and rating process. The purpose for sharing the evaluations with the contractor is to provide feedback to the contractor on performance.

All evaluation results will be recorded by SHE to determine eligibility, and Active or Inactive status, of the contractor for future contracting.

II. General Instructions

A. Contractor Notification

Contractor should be made aware of the evaluation process prior to receiving the results of the evaluation. Contractors attending a bid tour will receive a copy of this document to explain the purpose of the evaluation, process, and rating system. Contractors requesting additional information about the evaluation process will be instructed to contact SHE directly.

B. Evaluation Timeline

Performance evaluations must be completed no later than 30 calendar days after the final walk-through, clearance of any punch list items, or submission of the contractor's final invoice, whichever occurs later. During the 30 calendar days, the evaluation is conducted, the results are sent to the contractor and the contractor is provided 14 calendar days to review the results and submit comments to SHE. There is some flexibility of this time line for unforeseen or unusual circumstances (e.g., a death in the family).

III. Evaluation Process

The staff member(s) conducting the evaluation must be familiar with the contract and the contractor's performance. Unless otherwise stated in writing, the jurisdiction's building official or building inspector and SHE's Rehabilitation Construction Manager or Rehab Specialist will perform the performance evaluation. These individuals are referred to as the "Evaluators" in performance evaluation related materials.

IV. Below Standard Ratings & Disputes

Performance evaluations may result in a Below Standard rating. If this occurs, the Evaluators will move the contractor from the Active Contractor List to the Inactive Contractor List with reasons noted and send the contractor a letter of explanation along with the copy of his or her evaluation results.

Regardless of the rating given, a contractor may disagree with the evaluation/rating. A contractor must dispute his or her evaluation by submitting comments to SHE within 14 days of receiving his or her copy of the evaluation results. Upon receipt of a dispute, the Evaluators will review the contractor's comments and respond to the contractor by elaborating on the reasons for the rating given.

V. Evaluation Category Definitions and Factors

The seven categories listed below are used by SHE to assess each contractor's performance during the contract period. Each evaluation category is described and examples of possible factors provided. Factors listed below that are not applicable can be removed from the list and replaced with applicable factors developed by the Evaluators. While factors can be customized, the descriptions CANNOT.

Each contract is unique and the Evaluators should utilize contract specific factors to evaluate performance under each category. This necessary flexibility may be confusing to contractors and will require thoughtful explanation. If the contractor requires clarification or additional information about the categories or evaluation process, they may contact SHE directly.

- A. Quality: The contractor achieved desired outcomes with a minimum of avoidable errors and problems. Work met the requirements, expectations, or desired outcomes as set forth in the contract/scope of work. The work was accurate and complete. The work was done in an efficient and effective manner.

Factors:

- Overall compliance – the contractor complied with the terms and conditions (to include program and funding requirements) of the contract and showed an understanding of agency's standards and expectations.
- Conformity to specifications – the product or service conformed to the specifications identified in the original solicitation and contractual agreement. The product performed and/or the services were provided as expected.
- Reliability – the rate of product failure was within reasonable limits or repairs and rework was acceptable.
- Durability – reasonable period of time lapses before replacement is necessary.
- Support – available from the contractor in a reasonable period of time and met the need for assistance.
- Warranty – reasonable length and provisions of warranty protection offered and problems resolved in a timely fashion.
- State-of-the-art product/service – The contractor offered products and/or services consistent with industry standards. The contractor consistently refreshes product life by adding enhancements.

- B. Timeliness: The contractor performed work within the time frames identified or specified in the contract/scope of work and kept the project on schedule.

Factors:

- The contractor delivered product and/or services by date agreed to in the contract.
- The contractor met timelines for the submission of deliverables such as reports, plans, invoices, etc.
- The contractor responded/replied to requests for information or assistance in a reasonable period of time.
- The contractor's average delivery time was comparable to that of other contractors for similar products and/or services.

- C. Price/Budget: The contractor effectively managed costs and the value of the product and/or services received supported the costs. The contractor adhered to budget as specified in the contract/scope of work.

Factors:

- Contractor's invoices were accurate with appropriate backup documentation.
- Estimates did not vary from the final invoice.
- There were a low number of variances from the initial agreed to prices and the costs stated on received invoices.
- The contractor was sensitive to costs and demonstrated respect for funding and the agency's needs.

- D. Business Relations/Customer Service: The degree to which the contractor was professional and respectful in its business approach and interactions with the agency.

Factors:

- The contractor was courteous, cooperative, and had a professional approach in all forms of communication.
- The contractor handled complaints efficiently and effectively.
- The contractor was knowledgeable about the project and/or had the expertise to provide assistance as requested.
- The contractor managed change effectively.
- The contractor attempted to resolve problems in a timely manner and followed up with a status report.
- The contractor provided technical support for maintenance, repair, and installation situations. Technical instructions, documentation, and general information was also provided.
- The contractor provided training on the effective use of its products or services.

- E. Deliverables/Requirements: The degree to which the contractor was compliant in meeting the standards of contract requirements and deliverables.

Factors:

- All deliverables submitted were complete, accurate, and submitted within the required timeline using required forms or format, if applicable.
- Requirements were demonstrated and/or documented.

- F. **Safety**: The degree to which the contractor mitigated and demonstrated freedom from risk of injury, danger, damage, or loss of life or property.

Factors:

- The contractor complied with all Federal, State, and local laws and regulations concerning the health and safety of workers, the general public, and personal property.
- Contractor's safety record for the project.

- G. **Dependability**: The degree to which contractor demonstrated trustworthiness and reliability.

Factors:

- The contractor was fair, honest, and reasonable in interactions with the agency.
- The contractor demonstrated consistency in business operations.
- The contractor was sincere in efforts to deliver a quality product and/or services.
- The contractor followed through on agreements made with the program/agency.

VI. Contractor Performance Rating Definitions and Factors

The following three ratings make up the evaluation rating structure. These rating definitions and factors CANNOT be customized.

- A. **Below Standard**: Contractor performance has been less than standard or satisfactory. This rating encompasses contractors whose performance does not consistently meet expectations defined in the contract/scope of work.

Factors:

- Contractor performance does not consistently meet expectations defined in the contract.
- Close supervision of the contractor was required to progress the work.
- Work was unsatisfactory and consistently failed to meet expectations.
- Lack of cooperation.
- Most performance requirements were not met.
- Significant cost overruns.
- Many schedule slips with negative cost impact.
- Lack of user satisfaction.

- B. **Standard**: Contractor has met all specifications and requirements. This rating includes a range of expected performance as stated in the contract/scope of work to support the project.

Factors:

- Contractor exhibits competency in the assignments and consistently meets the desired expectations of the project.
- Contractor meets standards and objectives and all performance requirements.
- Contractor sometimes exceeds expectations.
- Contractor met overall price.
- Contractor met expectations.
- Deliveries were on time.
- Project schedule was not impacted.
- Adequate user satisfaction.

C. **Above Standard**: Contractor performance exceeds standard or satisfactory. This rating represents consistent and exceptional performance or consistently superior achievement beyond regular assignments and expectations as stated in the contract/scope of work.

Factors:

- Meeting and exceeding performance requirements.
- Significant positive impact to the project.
- Reduced costs while meeting contract requirements.
- All deliveries on time with some arriving early.
- Significantly exceeded expectations.
- High user satisfaction.
- Highly responsive and proactive.

VII. CONTRACTOR PERFORMANCE EVALUATION

CONTRACTOR PROJECT PERFORMANCE EVALUATION

File #: _____
 Project: _____
 Project Address: _____
 City/State/Zip: _____

Contractor Name: _____
 License #: _____
 Project Address: _____
 City/State/Zip: _____

		Below Standard	Standard	Above Standard
Overall Rating:				
1.	Quality			
2.	Timeliness			
	Original Contract Completion Date: _____			
	Actual Contract Completion Date: _____			
3.	Price/Budget			
	Original Contract Amount: \$ _____			
	Final Contract Amount: \$ _____			
4.	Business Relations/Customer Service			
5.	Deliverables/Requirements			
6.	Safety			
7.	Dependability			

Evaluator Information:

Printed Name: _____
 Title: _____

Organization: _____
 Address: _____
 City/State/Zip: _____

Signature/Date: _____

Comments:

PERFORMANCE FACTORS

1. Quality: The contractor achieved desired outcomes with a minimum of avoidable errors and problems. Work met the requirements, expectations, or desired outcomes as set forth in the contract/scope of work. The work was accurate and complete. The work was done in an efficient and effective manner.

FACTORS:

Overall compliance – the contractor complied with the terms and conditions (to include program and funding requirements) of the contract and showed an understanding of agency's standards and expectations

Conformity to specifications – the product or service conformed to the specifications identified in the original solicitation and contractual agreement. The product performed and/or the services were provided as expected

Reliability – the rate of product failure was within reasonable limits or repairs and rework was acceptable

Durability – reasonable period of time lapses before replacement is necessary

Support – available from the contractor in a reasonable period of time and met the need for assistance

Warranty – reasonable length and provisions of warranty protection offered and problems resolved in a timely fashion

State-of-the-art product/service – The contractor offered products and/or services consistent with industry standards. The contractor consistently refreshes product life by adding enhancements

2. Timeliness: The contractor performed work within the time frames identified or specified in the contract/scope of work and kept the project on schedule.

FACTORS:

The contractor delivered product and/or services by date agreed to in the contract

The contractor met timelines for the submission of deliverables such as reports, plans, invoices, etc

The contractor responded/replied to requests for information or assistance in a reasonable period of time

The contractor's average delivery time was comparable to that of other contractors for similar products and/or services

3. Price/Budget: The contractor effectively managed costs and the value of the product and/or services received supported the costs. The contractor adhered to budget as specified in the contract/scope of work.

FACTORS:

Contractor's invoices were accurate with appropriate backup documentation

Estimates did not vary from the final invoice

There were a low number of variances from the initial agreed to prices and the costs stated on received invoices

The contractor was sensitive to costs and demonstrated respect for funding and the agency's needs

4. Business Relations/Customer Service: The degree to which the contractor was professional and respectful in its business approach and interactions with the agency.

FACTORS:

- The contractor was courteous, cooperative, and had a professional approach in all forms of communication
- The contractor handled complaints efficiently and effectively
- The contractor was knowledgeable about the project and/or had the expertise to provide assistance as requested
- The contractor managed change effectively
- The contractor attempted to resolve problems in a timely manner and followed up with a status report
- The contractor provided technical support for maintenance, repair, and installation situations. Technical instructions, documentation, and general information was also provided
- The contractor provided training on the effective use of its products or services

5. Deliverables/Requirements: The degree to which the contractor was compliant in meeting the standards of contract requirements and deliverables.

FACTORS:

- All deliverables submitted were complete, accurate, and submitted within the required timeline using required forms or format, if applicable
- Requirements were demonstrated and/or documented

6. Safety: The degree to which the contractor mitigated and demonstrated freedom from risk of injury, danger, damage, or loss of life or property.

FACTORS:

- The contractor complied with all Federal, State, and local laws and regulations concerning the health and safety of workers, the general public, and personal property
- Contractor's safety record for the project

7. Dependability: The degree to which contractor demonstrated trustworthiness and reliability.

FACTORS:

- The contractor was fair, honest, and reasonable in interactions with the agency
- The contractor demonstrated consistency in business operations
- The contractor was sincere in efforts to deliver a quality product and/or services
- The contractor followed through on agreements made with the program/agency

City of Orange Cove

Homebuyer Assistance Program Guidelines

For:

Community Development Block Grant
(CDBG) Program

Serving the
City of Orange Cove

Ver. 2019.1

HOMEBUYER PROGRAM GUIDELINES

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CITY OF ORANGE COVE

HOMEBUYER PROGRAM GUIDELINES

1.0. 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 one or more HCD-funded homebuyer programs. The homebuyer program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by Self-Help Enterprises, (the “Program Operator”).

1.1. PROGRAM OUTREACH AND MARKETING

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 will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender logo and Accessibility logo will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program’s eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program will sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.
- B. The Program Operator will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.
- C. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure

effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

- A. The Sponsor maintains a waiting list of applicants. When applicants are placed on the list, they are sent a Program Brochure and Instructions to Home Buyer (Attachment G) and directed to the Program Operator's HUD approved Homebuyer Counseling and Education Program. Each applicant must participate in the Homebuyer Counseling and Education Program and receive a certificate of completion to be eligible for the Sponsor's Homebuyer Program.
- B. Once the applicant's name comes to the top of the waiting list, a phone interview is conducted to gather sufficient information concerning household size and composition, income, employment, and credit history to establish preliminary eligibility for Program participation. The potential homebuyer is advised to interview and compare lenders to start the pre-qualification process for a primary loan. Potential homebuyers are advised that funds will be available on a first-come, first-served basis upon receipt of a complete application package and pre-qualification letter from the applicant's primary lender.
- C. The Program Operator will provide an income and asset form, submission form, and lender cover letter to the potential homebuyer's primary lender for completion. In addition to these documents, the primary lender must submit a complete application package and pre-qualification letter to the Program Operator on behalf of the applicant. Completed applications are processed on a first-come, first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification information is included. Incomplete applications are returned to the primary lender and will not be date/time stamped until complete.
- D. Upon receipt of a complete application package, the Program Operator will confirm Program eligibility of the potential homebuyer. Upon eligibility confirmation, the Program Operator will send both the potential homebuyer and primary lender the following documents: pre-qualification letter, mortgage commitment letter with a list of conditions, Sellers Lead-Based Paint (LBP) Disclosure (Attachment E), and Notice to Seller (Attachment F). In the event the potential homebuyer is found to be ineligible, the applicant will receive a denial letter with an explanation of the reason(s) for denial and the appeal process.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant will receive a denial letter with an explanation and may re-apply after six months have elapsed from the time of written assistance denial.

- E. The potential homebuyer is given 90 days in order to find a qualified home. If during the 90-day time frame, the potential homebuyer is unable to purchase a home, an extension may be given. However, if it appears the potential homebuyer cannot participate in the

Program, the reservation of funds expires and the next person on the waiting list is given an opportunity to participate in the Program.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

DEBT SERVICE			
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH			
HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS	
Principal & Interest Payment	\$ 865	\$1,180	Housing
Insurance	82	+200	Other Debt Service
Taxes	<u>233</u>	\$1,380	Total Debt Service
Total Housing Expense	\$1,180	(Overall debt service per month is 41% of \$3,388) (PITI is 35% of \$3,388)	
OTHER HOUSEHOLD DEBT SERVICE			
Car Payment	\$ 150		
Credit Card Payment	<u>50</u>		
Total Other Debt	\$ 200		

A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.

SUBSIDY CALCULATION	
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH	
Purchase Price of Property	\$ 280,000
Less Primary loan amount*	143,000
Less down payment of 1%	<u>2,800</u>
Equals "GAP"	\$ 134,200
Plus estimated allowable settlement charges	<u>8,400</u>
Equals Total Subsidy	\$ 142,600

*Primary loan amount must be the maximum amount for which the family can qualify.

- B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:

- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and

- 2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
 - 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
 - 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);
 - 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
 - 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission of the purchase offer.
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.
- C. Applicant submits executed standard form, purchase and sale agreement, and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. Program Operator, where Program Operator is not the Sponsor, submits recommendation to the Sponsor for approval or denial, including the reasons for the recommendation. Sponsor determines Applicant's approval or denial, and instructs Program Operator to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
- F. At the time of escrow closing, the Sponsor shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the Sponsor as insured is also required.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the Sponsor. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer funds shall be used in the following order:
- 1) Down payment – Homebuyer must contribute a minimum down payment of one percent (1%) of the purchase price, but may contribute more, if desired.

- 2) To the extent possible after satisfying 1), above, appraisal fee; cost of credit report; the loan origination fee; discount points; customary homebuyer closing costs; homebuyer's customary portion of the escrow fees; title insurance; and, the establishment of impound accounts for property taxes and insurance.
 - 3) After 1) and 2), above, are satisfied, any balance of homebuyer funds may be applied either to the purchase price or to reduce the interest rate of the primary loan as necessary.
- C. If the items in B.2), above cannot be satisfied with homebuyer funds, the Sponsor will provide additional Program loan assistance to cover the remaining balance.
 - D. Sponsor subsidy will reduce the amount of the primary lender's loan so that the payments of monthly housing costs are within approximately 25% to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program. The Sponsor's subsidy cannot exceed fifty percent (50%) of the acquisition costs (purchase price plus all closing costs).
 - E. Sponsor's subsidy cannot exceed the amount of the primary mortgage.

1.6. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: online education, one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.7. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's Program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Sections 570.489 (h) and 570.611, as well as 18 U.S. Code Section 208 shall be followed for CDBG assistance.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving

CDBG funds.

1.8. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any Program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD Program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. (Attachment C)

The link to the official HCD- maintained income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

Household: Means one or more persons who will occupy a housing unit. For CDBG, unborn children count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD Program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.

A. HOUSEHOLD INCOME DEFINITION:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and will be used to determine Program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Attachment A CDBG.** For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings account – not the asset value, which is counted in annual income.)* See **Attachment B.**

An asset's cash value is the market value less reasonable expenses required to convert the asset to cash, including, for example, penalties or fees for converting financial holdings and costs for selling real property. For CDBG, the cash value (rather than the market value) of an item is counted as an asset.

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

For CDBG, an eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of homebuyer status will be required for all homebuyers. CDBG-funded Programs may assist eligible homebuyers who are not “first-time” homebuyers.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the city limits of Orange Cove.”
- B. Housing unit types eligible for the Homebuyer Program are new or previously owned single-family residences, condominiums, or manufactured homes in mobile home parks, in common-interest developments or on a single-family lot and placed on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.
- D. Housing units located within a 100-year flood zone will be required to provide proof of flood insurance with an endorsement naming the Sponsor as loss payee in order to close escrow.

3.2. CONDITIONS

- A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) The Program Operator, a certified housing inspector, or a Sponsor representative will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller.

If there are one or more health and safety deficiencies, and/or violations of applicable building codes noted in the written report, the Sponsor will approve the subsidy only if:

- a. Repair prior to close of escrow. The buyer and seller agree to make necessary repairs to the dwelling unit prior to transfer of property ownership at their own expense.

- 2) New homes must comply with current local health and safety standards and all applicable federal, state, and local building codes as evidenced by a building permit finalized by the City Building Division.
 - 3) When the Sponsor's Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C. will apply.
 - 4) A clear pest inspection report will be required for each housing unit. Smoke detectors will be installed if there are none in place. The Program Operator will encourage each homebuyer to secure a homeowner's warranty policy as part of the purchase of a resale housing unit.
 - 5) With the exception of 1)b. above, upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.
- B. Lead-Based Paint Hazards: All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD's online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these Programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

- 1) **Notification:** a) Prior to homebuyer's obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet "*Protect Your Family From Lead in Your Home*". (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor's homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).
- 2) **Disclosure:** Prior to the homebuyer's obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), "Seller's Lead-based Paint Disclosure" notice must be provided by the seller to the homebuyer.

- 3) **Inspections:** The Inspector shall conduct a “Visual Assessment” of all the dwelling unit’s painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
 - 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor’s and workers’ appropriate proof of LBP training, as applicable to the project in order to assure that only qualified contractors and workers are allowed to perform the mitigation.
- C. The Program Operator will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser’s file (See Attachment I).

3.4. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with Sponsor’s relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or Program for which HUD financial assistance including CDBG is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a CDBG assisted project, and requires the

replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.5. PROPER NOTIFICATION AND DISCLOSURES

- A. Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded Programs).

4.0. PURCHASE PRICE LIMITS

The purchase price limits and appraised post-rehabilitation value for this Program shall not exceed the Maximum HOME Program Purchase Price/After-Rehab Value Limit for Sponsor's county as updated by HCD or HUD.

Note: For HOME- and CalHome-funded Programs the home purchase price of owner-occupied and homebuyer properties must be limited as follows: For CalHome-funded Programs, the maximum allowable sales price or the maximum after-rehab value of a home shall be set at 100% of the current median sales price of a single family home in the county in which the CalHome Program is located; for HOME-funded Programs the value (with or without rehabilitation) cannot exceed 95 percent of the area median purchase price as established by HCD and HUD.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS

*Sponsor will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the "primary loan").

5.1. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 25% and 35% and is the percentage of a borrower's gross monthly income (before deductions) that would cover the cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall be between 25% and 42% and is the percentage of a borrower's gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments. *Note: Qualifying ratio*

guidelines can be somewhat flexible depending on the loan-to-value ratios. The higher the LTV, the more conservative the ratios should be. A qualifying ratio higher than the guidelines may be acceptable if there are compensating factors. Some examples of compensating factors are: 1) the prospective homebuyer has successfully demonstrated that over a minimum 12-month period the ability to pay housing costs equal to or greater than the proposed monthly housing costs for the home to be purchased; 2) the prospective homebuyer is a limited user of credit and they show a history of being able to save money; 3) there will be no more than a 5% increase in the prospective homebuyer's housing expense. These exceptions will be approved by the Sponsor's loan committee and documented for the file.

5.2. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

5.3. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term "all due and payable" in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

5.4. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

6.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

For HOME, the amount of Program assistance to a homebuyer toward purchase of a home shall not exceed the maximum HOME subsidy limit per unit for Sponsor's county, per the HCD website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg> and **shall never exceed the amount of the primary mortgage.** See Attachment C. Any approved "grant" amount for lead-based paint evaluation and reduction activities or for relocation assistance (for HOME-funded projects only), as well as activity delivery, shall be included in this amount, but will not be a part of the loan. For Programs funded with CalHome funds, the maximum assistance to a homebuyer will not exceed the maximum amount identified in the most current NOFA, which will be listed on Attachment C once known. Note: CalHome re-use funds are not subject to grant limits identified in the most recent NOFA.

6.2. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, title report and title insurance, title updates and/or related costs may be included in the Program loan.

6.3. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.1. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The Program Operator will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus non-recurring closing costs) less down payment, and the amount of the primary loan.

6.4. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

For CDBG, the Program loan's term shall be for as long as the primary loan, plus 15 years. The interest rate shall be 0% simple interest. All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Loan principal shall not be forgiven (foreclosure is a forced sale; nothing is voluntarily forgiven). The loan period cannot be extended except for loans that are resubordinated when a rate and term refinance is approved, per Attachment D.

6.5. COMBINED LOAN-TO-VALUE RATIO

CDBG, the loan-to-value ratio for a Program loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100 percent of the appraised value of the property, plus a maximum of up to 5 percent of the sales price, to cover actual, non-recurring closing costs.

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time, without penalty.

7.2. RECEIVING LOAN PAYMENTS

A. Program loan payments will be made to:

City of Orange Cove
633 Sixth Street
Orange Cove, CA 93646

B. The Sponsor will be the receiver of loan payments or recaptured funds and will maintain

a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's Program Income Account, as required by HCD Programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

7.3. DUE UPON SALE OR TRANSFER

In the event that an owner sells, transfers title, or discontinues residency in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

- B. CDBG, if the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homebuyer definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.
- C. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.
- D. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

Sponsor or their designated Loan Servicing Agent will annually monitor and certify in the loan file that the Borrower and their housing unit are adhering to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the Sponsor's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the Sponsor's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the Sponsor and documentation of such maintained in the loan file. The Sponsor may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the Program Operator

will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD Program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the Program Operator will submit it to the Sponsor for approval. Sponsor will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines;

encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

With today's high costs, in order for a low-income household to obtain a home, several funding sources might be required. Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The Sponsor may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the Sponsor's Loan Committee and/or governing body. Changes shall then be sent to HCD for approval.

10.1. DEFINITION OF EXCEPTION

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or an applicant treated differently from others of the same class would be an exception.

10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.

ATTACHMENT A

24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS – FOR HOME & CDBG

24 CFR Part 5 Annual Income Inclusions

§5.609 Annual income.

(a) *Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) 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, 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 paragraph (b)(2) of this section. 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) 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 amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) 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) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) 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) 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 as provided in paragraph (b)(5) of this section);

(4) 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 a live-in aide, as defined in §5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) 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);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) 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;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs 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;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) 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;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- (15) 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) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) 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 includes 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 PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See <https://www.federalregister.gov/documents/2014/05/20/2014-11688/federally-mandated-exclusions-from-income-updated-listing> for most recent notice]

(d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

Inclusions

1. Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance. Assets held in foreign countries are considered assets.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

ATTACHMENT C

MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR FRESNO COUNTY (HOME Value Limits as of 4/1/2020)

EXISTING CONSTRUCTION	NEW CONSTRUCTION (less than 12 months old)
\$265,000	\$323,000

[Note from HOME to remove: if you have exception limits approved by HOME, modify this table as needed and indicate from/through date of the exception]

HOME SUBSIDY LIMITS PER UNIT FOR FRESNO COUNTY (Limits are effective 5/09/2019)

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$150,314	\$175,752	\$213,718	\$276,482	\$303,490

CURRENT INCOME LIMITS FOR THE AREA (FOR HOME/CDBG) (Limits became effective 6/28/2019)

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$39,150	\$44,750	\$50,350	\$55,900	\$60,400	\$64,850	\$69,350	\$73,800

*Sponsor will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained Value, Subsidy, and Income limits is:

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>
(CDBG limits, choose "State CDBG, HOME and NHTF - Income, Value and Rent Limits")

**SPONSOR STANDARDS FOR BEDROOMS AND BATHROOMS TO PREVENT
OVERCROWDING**

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

- Children may share a bedroom, up to 2 children per bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom is allowable.
- 8 or more people – a third bathroom is allowable.
- Same rules apply to mobile home units.

The chart above is used as a guide to overcrowding.

ATTACHMENT D

LOAN SERVICING POLICIES AND PROCEDURES FOR THE [NAME OF GRANTEE]

The [name of grantee], hereafter called "Sponsor," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Sponsor will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Sponsor has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The Sponsor may, at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

The policies and procedures are broken down into the following areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan; 8) the Sponsor as Senior Lienholder; and 9) processing of demands and payoffs.

1. Loan Repayments:

The Sponsor will collect monthly payments from those Borrowers who are obligated to do so under Notes that are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly due date.

For Notes that are deferred payment loans, the Sponsor must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

At time of completion, the funds expended on a housing unit will be compared to the Note amount. Any funds not expended at completion will be considered a "principal reduction" and will be applied to the principal loan balance thereby lowering the amount owed by the Borrower. Borrowers will receive a closeout letter after the 30-day retention period indicating the amount of their Note, the credit, and the ending balance on their loan. A copy of this credit along with the final cost breakdown will be retained in the Borrower's file.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Sponsor as loss payee. If Borrower fails to maintain the necessary insurance, the Sponsor may use non-grant funds to take out force placed insurance to cover the property

while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the Sponsor as loss payee will be required at close of escrow. The Sponsor must verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes, the Sponsor may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Sponsor encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Sponsor's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Sponsor's loan. This document requires any senior lienholder listed in the notice to notify the Sponsor of initiation of a foreclosure action. The Sponsor will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Sponsor can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Verification:

On owner-occupant loans, the Sponsor requires that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan.

Occupancy will be verified, reviewed and certified by the submission of the following:

- A. Proof of occupancy in the form of a copy of a current utility bill; and
- B. Statement of unit's continued use as primary residence of the owner.
- C. Declaration that other title holders do not reside on the premises;
- D. Verification that Property Taxes are current; and
- E. Verification of current required insurance policies.

5. Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, the Borrower must notify the Sponsor in writing of any change. Sponsor, or its designated Loan Servicing Agent, and Borrower

will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable home for low-income families.

Change from owner-occupant to owner-occupant occurs at a sale. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Sponsor's Loan Committee (depends on the HCD Program).

If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the property and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan is due and payable. All such changes are subject to the review and approval of the Sponsor's Loan Committee.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Sponsor allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the Borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

- A. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
- B. not have a temporary interest rate buy-down;
- C. have a term "all due and payable" that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
- D. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) change in title or use without approval; or 4) default on senior loans; the Sponsor, or its designated Loan Servicing Agent, will send out a letter to the Borrower notifying them of the default situation. If the default situation continues, the Sponsor may start a formal process of foreclosure.

When a senior lienholder starts a foreclosure process and the Sponsor is notified via a Request for Notice of Default, the Sponsor, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Sponsor must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Sponsor may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Sponsor determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Sponsor does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Sponsor can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

8. Sponsor as Senior Lienholder

When the Sponsor is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor's staff will consider the following factors before initiating foreclosure:

- A. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
- B. Can the Borrower refinance with a private lender and pay off the Sponsor?
- C. Can the Borrower sell the property and pay off the Sponsor?
- D. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
- E. Will the sales price of home "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Sponsor may opt to initiate foreclosure. The Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lienholders. The service will advise the Sponsor of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Sponsor informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor could sell the home themselves under a homebuyer Program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Sponsor could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

9. Process Demands and Payoffs:

Requests for demands and payoffs will be processed within the timeframe allowed by law. Sponsor or its designated Loan Servicing Agent is proficient in performing the related calculations. Reconveyance and lien releases would be prepared for processing by a qualified Title Company.

ATTACHMENT E
SELLERS LEAD-BASED PAINT DISCLOSURE
Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- (ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) _____ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- (ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) _____ Purchaser has received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller Date

Seller Date

Purchaser Date

Purchaser Date

Agent Date

Agent Date

ATTACHMENT F

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer

DECLARATION

This is to inform you that _____ would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$ _____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$ _____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at:

_____. If you have any questions about this matter, please contact _____ at _____.

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Disclosure to Seller with Voluntary, Arm's Length Purchase Offer (Page 2)

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the Sponsor's Program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

☐ Vacant at least 3 months; ☐ Owner-occupied; ☐ New; or ☐ Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and ☐ a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose ☐ to withdraw or ☐ not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

ATTACHMENT G

[NAME OF GRANTEE] INSTRUCTIONS TO HOMEBUYER

1. Persons interested in purchasing a home should contact the Program Operator's Homebuyer Counseling and Education (HCE) Department at 559-802-1672 to enroll in education classes, and if needed or required by the Program, also enroll in an individual counseling session. Upon completion of eight (8) hours of homebuyer education, the HCE Department will issue certificates of completion to the participants.
2. Participant should contact the Program Operator's First-Time Homebuyer Loan Processor at 559-802-1649 to verify funding availability. The participant's name is added to Sponsor's interest list if there is no funding available, or will be moved directly into the workload.
3. Participant will select a Mortgage Company (primary lender) of his or her choice to determine financing eligibility. Upon successful prequalification with a primary lender, primary lender will submit a complete loan application package to Program Operator for review. This package must be submitted along with a completed Submission Form and Lender Cover Letter, provided by the Program Operator via the Program Operator's website. Items to be included are proof of income, credit history, and household size.
4. During the financing and Program eligibility review by Program Operator, household size, income, and Sponsor loan amount are determined. Prior to issuance of the prequalification letter to the family, the following must occur:
 - a. Application package must be reviewed and signed by Program Operator
 - b. Application package must be reviewed and signed by Sponsor

Upon completion by all parties, Program Operator will issue a prequalification letter to the participant and primary lender on behalf of the Sponsor. Program Operator will contact or meet with qualified applicant to provide information relative to Program requirements and the lending process. In addition, Program Operator will issue a condition list to both parties requesting additional income and asset documentation, including verification of employment and all income sources.

5. Participant works with Licensed Real Estate broker to find a property. Properties are subject to the following requirements:
 - a. Properties must meet the modest housing standard of 3 bedrooms/2 bathrooms, unless extenuating circumstances justify more to be approved
 - b. Properties must be located within the Sponsor's eligible area (Program Operator will verify)
 - c. Properties must meet maximum sales price limits, as applicable
 - d. Properties must be owner-occupied or vacant for at least three (3) months

Upon approval of the individual properties by the Sponsor, applicant will submit an offer and, once accepted, forward copies to Program Operator for review.

6. Applicant will work with primary lender to provide Program Operator all terms on the conditions list. The items include, but are not limited to:
 - a. Income documentation (paystubs, tax returns, child support, etc.)
 - b. Asset documents (bank statements, 401K, etc.)
 - c. Property information (appraisal with photos, preliminary title report, termite report and clearance, etc.)
 - d. Real Estate Sales Contract (contingent upon receiving Program loan approval)
 - e. Residential loan application and credit report, paystubs, tax returns and W-2's, and all verifications of employment and rent
 - f. Disclosure statement
7. Program Operator, upon receipt of appraisal, will order a home inspection to be completed by the Program Operator, a certified housing inspector, or a Sponsor representative. Home inspections will document health & safety and code compliance as well as conduct Lead-Based Paint Inspections. Seller must correct all deficiencies prior to the close of escrow.
8. Upon receipt of all conditions, Program Operator will prepare participant file for final loan approval with Sponsor. The primary lender should request the date of loan approval one week prior to the date of anticipated loan signing. At loan approval, Program Operator will present the application to Sponsor for review. Following loan approval, Program Operator will give loan documents to Sponsor for signatures. Loan documents are then forwarded to escrow company to coordinate loan signing.
9. Signed documents are returned to Program Operator for review. Upon review and confirmation of all conditions of final funding, Program Operator will wire funds to escrow.
10. Once loan is funded and recorded, escrow company provides a copy of all documents to Program Operator. Program Operator then closes out the loan file.

ATTACHMENT H
LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM

Section 1: Background Information			
Property Address:			No LBP found or LBP exempt <input type="checkbox"/>
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, and 6. If paint stabilization is performed, also fill out Sections 4 and 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint <i>hazards</i> are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption:	

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information		Organization:
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

ATTACHMENT I

Homebuyer Program Lead Compliance Document Checklist

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

http://portal.hud.gov/hudportal/documents/huddoc?id=20264_leadcompliance.doc

ENGINEER'S REPORT

TO: CITY MANAGER
FROM: ALFONSO MANRIQUE, PE
AM CONSULTING ENGINEERS, INC.
SUBJECT: PROJECT PROGRESS UPDATE
DATE: APRIL 14, 2021

This Engineer's Report provides an update on the progress made on the various projects since March 10, 2021 that we are currently working on:

1. FHWA Projects

a. Adams Avenue Reconstruction Between Friant Kern Canal to South Hills Valley Road

Staff has confirmed that all bid items have been completed and the project met the requirements set forth in the technical specifications. Staff is recommending that City Council approve the Notice of completion during tonight's Council meeting.

2. Water Enterprise

a. Friant Kern Canal Shut Down – Temporary Cofferdam, Pump Station & Piping

Floyd Johnson Construction completed construction of this permanent underground pipeline on April 1st. Staff has conducted a final walkthrough of the project site and has confirmed that the items meet the requirements set forth in the technical specifications. Staff will be recommending that City Council approve the Notice of Completion for this project at the April 28th meeting.

b. Raw Water Traveling Water Screen

The bid opening took place on March 18, 2021. The staff report and resolution awarding the construction of the project is included in tonight's meeting agenda.

3. EDA Off-site Improvements at Northwest Corner of Park Blvd and Anchor Ave

The design plans for this project are 60 percent complete. Staff estimates that the plans and technical specifications will be 100 percent complete by the end of June, and the project will be ready to go out to bid on this project by July and start construction by September.

4. Police Station Parking Lot Improvements Project

The plans and technical specifications are complete, and this project is currently out to bid. A non-mandatory pre-bid meeting has been scheduled for April 27th at 9 a.m. and the bid opening is scheduled to take place on May 19th at 2 p.m. at City Hall.

5. Library Rapid Flashing Beacon Project

Staff has prepared a staff report recommending that City Council authorize the City Manager to solicit bids for the construction of a rapid flashing beacon in front of the Orange Cove Library. The staff report will be presented to City Council at the tonight's meeting.

6. Julia Lopez Child Care Center

Staff is currently waiting to review the three bids received to replace the existing kitchen cabinets and counter tops at the Julia Lopez Child Care Center. Following staff's review, all bids will be presented to City Council. In addition, a Resolution awarding the bid for the construction of the Project will be presented for City Council's approval at a future Council meeting.

7. No Kid Hungry Grant

The City has received \$25,000 through the No Kid Hungry Grant for the distribution of food to children and families in the community. The City will be partnering with the Kings Canyon Unified School District (KCUSD) to distribute fresh fruit and vegetables to Orange Cove residents. To encourage health and wellness during the COVID-19 pandemic, the food distribution will include a variety of Grade A, fresh fruit, and vegetables, salad packs, grains, and pre-packaged healthy snacks. The City will be working with OK Produce to provide the food products.


Mrs. Miriam Cardenas-Aleman and Mrs. Maricela Chavez will be assisting the City with the food distribution. Mrs. Miriam Cardenas-Aleman is the Health Center Specialist at KCUSD and will be assisting the City by organizing and placing the food orders. Mrs. Maricela Chavez is an On-Site Counselor at KCUSD and will be assisting the City by distributing the food to residents.

Beginning on Friday April 23rd, the City will be distributing food to residents at the Iglesia El Buen Pastor. This food distribution will be held every Friday until the grant funds have been utilized.



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Authorize the City Manager to file and record with the County of Fresno a Notice of Completion for the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road

Attachments: Resolution 2021- 15
Notice of Completion

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution and authorize the City Manager to file and record a Notice of Completion with County of Fresno for the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road.

BACKGROUND:

The City was awarded \$193,100 in Regional Surface Transportation Program (RSTP) funds for the reconstruction of Adams Avenue Reconstruction Project between Friant Kern Canal to South Hills Valley Road (Project). The project involves the reconstruction of the roadway on Adams Ave, between the Friant Kern Canal and South Hills Valley Road. In addition, the project involved the construction of 582 feet of asphalt concrete dikes on the north and south sides of the roadway, the adjustment of four utilities (three water valves and one manhole) to finish grade, and the placement of a compost blanket on the slopes of the roadway.

Staff conducted a walkthrough of the project site and has determined that the Project has been completed according to the plans and technical specifications. Based on the findings of the walkthrough, the Project can be accepted and deemed complete.

Prepared by: AM Consulting Engineers

Approved by: Alfonso Manrique

REVIEW: City Manager: _____

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
____ Info Item
X Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council Member
____ Other
____ Continued to: _____

FISCAL IMPACT:

There is no Fiscal Impact associated with filing the Notice of Completion. The project was completed using RSTP grant funds provided through Federal Highway Administration (FHWA).

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2021-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
ACCEPTING THE CONSTRUCTION IMPROVEMENTS FOR THE ADAMS AVE
RECONSTRUCTION PROJECT BETWEEN FRIANT KERN CANAL AND SOUTH HILLS
VALLEY ROAD AND AUTHORIZE THE CITY MANAGER TO FILE A NOTICE OF
COMPLETION WITH THE COUNTY OF FRESNO'S RECORDER'S OFFICE

WHEREAS, the City of Orange Cove's the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road (Project) has been completed per the plans and specifications; and

WHEREAS, there are no outstanding matters with the contractor; and

WHEREAS, it is necessary and desirable that the Notice of Completion be filed with the Fresno County's Recorder Office.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

1. The above recitals are true and correct and are adopted as the findings of the City Council.
2. The City Council using their independent judgment, hereby accepts the subject project; and
3. The City Council hereby accepts the subject project for maintenance in accordance with the provisions of the contract and applicable policies; and
4. The City Council approves the Notice of Completion for the construction improvements for the Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Road and hereby authorizes the City Manager to transmit the attached Notice of Completion to the Fresno County Recorder's Office; and
5. This Resolution shall take effect from and after the date of its adoption.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on April 14, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk

**RECORDING REQUESTED BY:
AND FOR THE BENEFIT OF,**

City of Orange Cove
No Fee-Gov't. Code Sections
6103 and 27383

WHEN RECORDED, MAIL TO:

City of Orange Cove
633 Sixth Street
Orange Cove, CA 93646

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is: **City of Orange Cove**
3. The full address of the owner is: **633 Sixth Street, Orange Cove, CA 93646**
4. The nature of the interest or estate of the owner is: **In Fee**
5. A work of improvement on the property hereinafter described was completed on: **March 24, 2021**. The work done was: **Adams Ave Reconstruction Project between Friant Kern Canal and South Hills Valley Rd, consisting of the reconstruction approximately 22,750 square feet of roadway, the adjustment of four utilities to finish grade, the construction of 582 linear feet of asphalt concrete dike, and the placement of 645 square yards of compost blanket for slope protection.**
6. The name of the contractor, if any, for such work of improvement was **AJ Excavation, Inc., 514 N Brawley Fresno, CA 93706**.
7. The properties on which said work of improvement was completed is in the City of Orange Cove, County of Fresno, State of California, and is described as follows: **Adams Ave, between Friant Kern Canal and South Hills Valley Rd.**
8. The street address of said property is: **Adams Ave, between Friant Kern Canal and South Hills Valley Rd. in the City of Orange Cove, CA 93646.**
9. **Resolution No. 2021-15, adopted March 24, 2021, is Attached Hereto and Made a Part Hereof.**

Dated: _____

Rudy Hernandez
City Manager

VERIFICATION

I, the undersigned, say: I am the Engineer for the City of Orange Cove, the declarant of the foregoing notice of completion;

I have read said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.


Alfonso Manrique
City Engineer

Executed on _____, 2020, at _____
(DATE) (LOCATION)



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Authorizing the City Manager to Solicit Bids for the Construction of a Rapid Flashing Beacon at the Orange Cove Library and Authorize City Manager to Use Measure C Funds for the Design and Construction Costs

Attachments: None

RECOMMENDATION:

Staff recommends that City Council authorize the City Manager to solicit bids for the construction of a rapid flashing beacon in front of the Orange Cove Library and authorize the City Manager to use Measure C funds to pay for the design and construction of the Project.

BACKGROUND:

Staff have received several requests from residents to install a rapid flashing beacon at the crosswalk on Park Boulevard in front of the Orange Cove Public Library. Currently, a pedestrian crosswalk runs across the east and west bound lanes of Park Boulevard leading to the entrance of the Orange Cove Public Library; however, there is no rapid flashing beacon that indicates when pedestrians are crossing the busy road. Staff is recommending that the City Council authorize the City Manager to use Measure C funds for the design and construction of the Orange Cove Public Library Rapid Flashing Beacon Project (Project).

If City Council approves of this Project, staff will proceed with the preparation of contract documents and solicit bids for the construction of this Project. Prior to the award of a contract, all bids will be presented to the City Council. In addition, a Resolution awarding the bid for the

Prepared by: AM Consulting Engineers

Approved by: Alfonso Manrique

REVIEW: City Manager: _____

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
____ Info Item
X Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council Member
____ Other
____ Continued to: _____

construction of the Project will be presented for City Council's approval at a future Council meeting.

FISCAL IMPACT:

Staff estimates that the total cost for the design and construction of the Orange Cove Public Library Rapid Flashing Beacon Project is approximately \$29,900. All cost associated with this project will be paid for with Measure C funds.


CONFLICT OF INTEREST:

None.



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Adopt Resolution Awarding Bid for the Adopt Resolution Awarding Bid for the Raw Traveling Water Screen for the Orange Cove Water Treatment Plant to Dawson-Mauldin, LLC

Attachments: Resolution No. 2021- 18

RECOMMENDATION:

Staff recommends that the City Council adopts the attached Resolution awarding the construction of Raw Water Traveling Screen at the Water Treatment Plant to Dawson-Mauldin, LLC (for at total bid of \$208,800, approve a contingency fund amount of \$10,500, authorize the Interim City Manager to sign the Agreement on behalf of the City of Orange Cove, and authorize the Interim City Manager to approve expenditures up to the contingency amount of \$10,500.

BACKGROUND:

At the City Council meeting on July 22, 2020, City Council authorized the Interim City Manager to solicit bids for the construction of a new raw traveling water screen for the Water Treatment Plant (WTP). On March 18, 2021, a total of four bids were opened and read aloud at 2:00 p.m., this being the advertised bid opening date and time. The lowest total bid was submitted by Dawson-Mauldin in the amount of \$208,800. Staff has reviewed the bid and has determined that it meets the requirements outlined in the construction documents. The Bid results are summarized in the table below.

Contractor	Total Bid
Dawson-Mauldin	\$208,800.00

Prepared by: AM Consulting Engineers

Approved by: Alfonso Manrique

REVIEW: City Manager: _____

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
 ____ Info Item
☒ Action Item
 ____ Department Report
 ____ Redevelopment Agency

____ Public Hearing
 ____ Matter Initiated by a Council Member
 ____ Other
 ____ Continued to: _____

Contractor	Total Bid
American Incorporated	\$223,000.00
Floyd Johnston Construction	\$254,500.00
Bush Engineering	\$260,418.00

The bid submitted by Dawson-Mauldin is less than the total budgeted amount of \$277,000.00. Staff recommends using the 5 percent of the total project costs to create a contingency fund and authorize the Interim City Manager to approve additional expenditures up to the contingency amount of \$10,500.00. The following table summarizes the total bid amount for the project, the amount designated for construction engineering, and the amount designated for contingency.

Item	Total Cost
Total Bid	\$208,800.00
Construction Engineering	\$31,400.00
Contingency (5%)	\$10,500.00
Total Project Cost	\$250,700.00

FISCAL IMPACT:

The total cost associated with the construction of the raw water traveling screen will be covered by development impact fees from the water fund.

CONFLICT OF INTEREST:

None.

Prepared by: AM Consulting Engineers

Approved by: Alfonso Manrique

REVIEW: City Manager: _____

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

☐ Consent
☐ Info Item
☒ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council Member
☐ Other
☐ Continued to: _____

RESOLUTION NO. 2021-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AWARDING BID FOR THE RAW WATER TRAVELING SCREEN FOR THE ORANGE
COVE WATER TREATMENT PLANT TO DAWSON-MAULDIN, LLC FOR \$208,800,
AUTHORIZING THE INTERIM CITY MANAGER TO SIGN THE AGREEMENT ON
BEHALF OF THE CITY OF ORANGE COVE, AND AUTHORIZE THE INTERIM CITY
MANAGER TO APPROVE EXPENDITURES UP TO THE CONTINGENCY AMOUNT OF
\$10,500

WHEREAS, bids for the construction of a raw water traveling screen at the Water Treatment Plant (WTP) were solicited from qualified contractors, opened on March 18, 2021 at the Orange Cove City Hall; and

WHEREAS, the lowest responsive and responsible bid was submitted Dawson-Mauldin, LLC in the amount of \$208,800.00; and

WHEREAS, the bid amount received for the Projects is less than the City's total budgeted amount of \$277,000.00; and

WHEREAS, the amount of \$10,500.00 shall be used to create a contingency fund that will be used to pay for any unforeseen expenditures accrued during construction of the Project.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Orange Cove, California, as follows:

1. The above recitals are true and correct and are adopted as the findings of the City Council.
2. Upon the recommendation of the City Engineer, the bid for the Raw Water Traveling Screen at the Water Treatment Plant is hereby awarded to Dawson-Mauldin, LLC in the amount of Two Hundred Eight Thousand Eight Hundred Dollars and No Cents (\$208,800.00).
3. The Interim City Manager is authorized to sign an Agreement with Dawson-Mauldin, LLC on behalf of the City of Orange Cove.
4. The Interim City Manager is authorized to approve additional expenditures up to the contingency amount of Ten Thousand and Five Hundred Dollars and No Cents (\$10,500.00).
5. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.
6. That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on April 14, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk

POLICE DEPARTMENT MONTHLY REPORT

April 14, 2021

Staff levels..... Remain the same. Reserve Officer Urrea will be leaving to TCSO effective 4-26-2021. He has been here since February 2018 and only paid \$15.00 per hour since June 2018. New rate of \$20.00 per hour was approved. This will be in line with the rates paid by the other police departments in our area. We hope to add one full time position to the department if approved by the council after we receive stimulus money. This position would be for a period of 3 years.

Animal Shelter.....Is running very well. See attached report. Animal Control Officer/Reserve Officer Diaz completed a course on Euthanizing animals. Once he gets his certificate mailed to him we will look for a dog vet that will sponsor him so he can obtain the medication and be able to do our own euthanizations ourselves.

Events: On April 24th from 0900 to 1200 hours a group of men from Cross City Church in Fresno will be here behind the fire department to repair bicycles for our citizens at no cost. They furnish all parts and do repairs for anyone that brings a bicycle. Last time they came the event was very successful.

Grants:

Tobacco Grant . The quarterly report was submitted in March.

Homeland Security Grant Paperwork was submitted for the purchase of a ballistic shield and ballistic helmets with the \$5,000 that was allotted by the grant. It was approved and now we are waiting for arrival of the equipment with an invoice so we can get the reimbursement. Paperwork for a second grant from Homeland Security was also submitted for approval. If approved it will pay for an MDT and stand for one of our vehicles. This grant was also for approximately \$ 5100.00

Vehicles \$ 66,648.64 was received from the OCPPD for the SUV purchased last year to replace the K-9 vehicle that was retrofitted.

The two new SUVs ordered should be here in a few months. We also ordered two new MDTs for the SUVs.

Covid 19: Stats will be given at the council meeting. The County stats are getting better every week. We are currently in the Red Tier. Some locations are already giving vaccinations to anyone. The 15th of April will allow 16 year olds and up to receive them.



ORANGE COVE POLICE DEPARTMENT

MARCH 2021 MONTHLY STATISTICS

CHIEF OF POLICE - MARTY RIVERA



PART 1 CRIMES

	FEB	MARCH	%	YTD	YTD
	2021	2021	Change	2020	2021
Homicide	0	0	0%	0	0
Rape	0	0	0%	0	0
Attempted Murder	1	0	-100%	0	1
Robbery	0	0	0%	2	0
Assault	2	0	-100%	2	3
Burglary	3	1	-67%	2	6
Grand Theft Auto	1	1	0%	6	3
Total Part 1 Crimes	7	2	-71%	12	10

	FEB	MARCH	%	YTD	YTD
	2021	2021	Change	2020	2021
Sex Crimes	0	0	0%	4	3
Narcotics	4	2	-50%	9	9
Child Abuse	0	0	0%	1	1
Total Part 2 Crimes	4	2	-50%	14	13

	FEB	MARCH	%	YTD	YTD
	2021	2021	Change	2020	2021
Total Traffic Collisions	1	6	500%	10	12
Fatalities	0	0	0%	0	0
Injury	0	0	0%	0	0
Non Injury	0	3	300%	4	7
Hit & Run	1	3	200%	6	5

ENFORCEMENT STATISTICS

	FEB	MARCH	%	YTD	YTD
	2021	2021	Change	2020	2021
Total Traffic Citations	24	18	-25%	79	61
Total Vehicle Stops	87	87	0%	304	245
Seatbelt Violations	0	0	0%	3	1
Unsafe Speed Violations	2	1	-50%	3	4
Fail To Obey Stop Sign/Light	4	4	0%	18	13
Driving Under the Influence	1	3	200%	1	5
Gang Arrests - Felony	0	0	0%	0	0
Gang Arrests - Misdemeanor	0	0	0%	0	0
Gang Field Interview Cards	1	5	400%	7	11
Juvenile Detentions/Arrests	0	1	100%	4	1
Adult Arrests	7	12	71%	31	25

	FEB	MARCH	%	YTD	YTD
	2021	2021	Change	2020	2021
5150	1	7	600%	13	12
Agency Assist	2	10	400%	26	18
Battery	1	2	100%	2	4
Evading/Obstructing Officer	1	1	0%	5	3
Fraud	0	1	100%	3	1
Identity Theft	0	1	100%	1	1
Spousal Abuse	3	2	-33%	18	7
Graffiti/Vandalism	3	1	-67%	17	7
Veh. Burglaries	1	0	-100%	1	1
General Incidents	8	16	100%	43	38
Weapons Confiscated	0	0	0%	1	1
Petty Theft	2	2	0%	20	7
Public Intoxication	0	1	100%	3	1
Suspended License	2	1	-50%	8	4
Unlicensed Drivers	4	7	75%	27	18
Vehicles Towed	7	15	114%	18	28
Vehicles Released	4	8	100%	8	15
Case Number Drawn	79	119	51%	425	305



Marty Rivera
Chief of Police

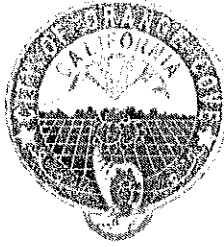
ORANGE COVE ANIMAL CONTROL STATISTICAL ACTIVITY REPORT

MONTH: March

OFFICER: R. DIAZ

BITE REPORTS	2 Bite report Dog v. Pedestrian
PRIOR MONTH STRAYS	3 dogs from February
STRAY DOGS	7 Picked up in March
EUTHANIZED DOGS	0
ADOPTED DOGS	
RESCUED DOGS	7 In March
INJURED STRAY DOGS	
ANIMAL CRUELTY INVESTIGATIONS	
RELEASED DOGS TO OWNER	1
CITATIONS ISSUED	
QUARANTINED DOGS	2 dogs Quarantined in home.
OTHER ANIMAL	
MISC	1 dog escaped from shelter
DOGS IN SHELTER	1 Dog in Shelter from March

NOTES	
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Date: April 14, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Adoption of Resolution Approving the Fiscal Year 2021-22 Master Fee Schedule
Attachments:
1. Resolution No. 2021-16 Approving the Fiscal Year 2021-22 Master Fee Schedule.
2. Master Fee Schedule.

BACKGROUND:

Attached for your review is the newly created Master Fee Schedule for the City of Orange Cove. This document lists all fees charged to our public for services rendered by city staff. The Master Fee Schedule should be updated annually as part of the budget process.

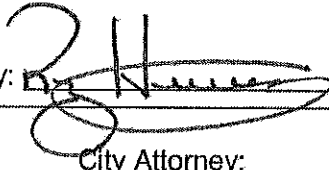
RECOMMENDATION:

That the City Council approve the attached resolution approving the Fiscal Year 2021-22 Master Fee Schedule.

FISCAL IMPACT

None.

Prepared by Rudy Hernandez

Approved by: 

REVIEW: City Manager: ✓

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

☐ Consent
☐ Info Item
☒ Action Item
☐ Department Report
☐ Redevelopment Agency

☐ Public Hearing
☐ Matter Initiated by a Council Member
☐ Other
☐ Continued to: _____

RESOLUTION NO. 2021-16

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE FISCAL YEAR 2021-22 MASTER FEE SCHEDULE**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Master Fee Schedule; and

WHEREAS, the City Council of the City of Orange Cove has, because of the review, identified the proposed Master Fee Schedule as beneficial to the financial operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Master Fee Schedule, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective July 1, 2021.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on April 14, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney

City of Orange Cove Preliminary Master Fee Schedule



CITY OF ORANGE COVE



ADMINISTRATIVE SERVICES & FINANCE DEPARTMENT FEE SCHEDULE

❖ Business Licenses

Business License:**Fee****Class 2 Businesses: *Personal Services* / billed quarterly**Quarterly Gross Receipts

2,000,001 to 3,000,000	\$257.79
3,000,001 to 4,000,000	309.35
4,000,001 to 5,000,000	360.91
Over 5,000,000	412.47

Class 3 Businesses: *Manufacturing, processing and wholesale* / billed quarterlyQuarterly Gross Receipts

\$0.00 to 6,000.00	\$5.93
6,000.01 to 9,000.00	8.25
9,000.01 to 12,000.00	10.57
12,000.01 to 15,000.00	13.15
15,000.01 to 18,000.00	15.73
18,000.01 to 21,000.00	18.30
21,000.01 to 24,000.00	20.88
24,000.01 to 27,000.00	23.46
27,000.01 to 30,000.00	26.04
30,000.01 to 40,000.00	30.42
40,000.01 to 45,000.00	34.54
45,000.01 to 50,000.00	38.93
50,000.01 to 55,000.00	43.31
55,000.01 to 60,000.00	52.07
60,000.01 to 70,000.00	60.58
70,000.01 to 80,000.00	69.35
80,000.01 to 90,000.00	77.85
90,000.01 to 100,000.00	86.62
100,000.01 to 115,000.00	99.51
115,000.01 to 130,000.00	112.66
130,000.01 to 150,000.00	128.38
150,000.01 to 175,000.00	149.78
175,000.01 to 200,000.00	171.18
200,000.01 to 225,000.00	192.57
225,000.01 to 250,000.00	211.39
250,000.01 to 275,000.00	226.86
275,000.01 to 300,000.00	244.39
300,000.01 to 350,000.00	274.29
350,000.01 to 400,000.00	301.10
400,000.01 to 450,000.00	34.82
450,000.01 to 500,000.00	345.44
500,000.01 to 550,000.00	368.13
550,000.01 to 600,000.00	383.60
600,000.01 to 650,000.00	388.75
650,000.01 and Over	388.75 + 0.60 @ \$1,000

Business License:

Class 6 Businesses: *As established by resolution / billed annually*

Fee

Home Occupation

\$51.56

Deliveries and Services

0-50 Deliveries/Year

\$41.25

51-200 Deliveries/Year

61.87

Over 200 Deliveries/Year

103.12

**City of Orange Cove Master Fee Schedule
Police Department**

Report, Reproduction and Document Fees:	Fee
Police Report Copy	\$15.00
Additional (Per page after 15 pages)	0.10
Citation Copies	10.00
U-Visas Completed by PD	100.00
U-Visas Completed by Client	20.00
Clearance Letter	15.00

Permit and License Fees:	Fee
Dance Event Permit (Public)	\$75.00
Dance Event Permit (Private)	30.00
Alcohol Permits -- One Day	30.00
Door to Door Hawking (July 1 st to June 30 th / Per Individual)	150.00

Police Service Fees:	Fee
VIN Verification	\$20.00
Ticket Sign-offs	12.00
Live Scan (Plus DOJ or FBI fees)	25.00
Background Clearance	15.00
Ink Fingerprinting	15.00
Lieutenant per hour	36.60
Sergeant per hour	31.03
Officer per hour	27.56

Animal Control Fees:	Fee
Dog License (Yearly, Spayed/Neutered)	\$13.00
Dog License (Yearly, Non-Spayed/Neutered)	26.00
Animal Redemption Release	
1 st Time (Plus \$10 per day)	20.00
2 nd Time (Plus \$10 per day)	30.00
3 rd Time (Plus \$10 per day)	50.00
Animal Redemption Weekends	100.00
Animal Surrender by Owner	40.00

Vehicle Fees:	Fee
Vehicle Release**	\$150.00

** Exception: Owners and operators of vehicles that are impounded or stored as a result of owner/operator being a victim of a crime, and the vehicle is directly related to that crime.

**City of Orange Cove Master Fee Schedule
Building & Engineering Department**

Building Permit Fees: **Fee**

Fees Per Valuation Table

\$1.00 to \$500	\$23.50
\$501 to \$2,000	\$23.50 for the 1 st \$500 + \$3.05 for each additional \$100
\$2,001 to \$25,000	\$69.75 for the 1 st \$2,000 + \$10.10 for each additional \$1,000
\$25,001 to \$50,000	\$391.75 for the 1 st \$2,500 + \$7.00 for each additional \$1,000
\$50,001 to \$100,000	\$643.75 for the 1 st \$50,000 + \$7.00 for each additional \$1,000
\$100,001 to \$500,000	\$993.75 for the 1 st \$100,000 + \$5.60 for each additional \$1,000
\$500,001 to \$1,000,000	\$3,233.75 for the 1 st \$500,000 + \$4.75 for each additional \$1,000
\$1,000,000 and up	\$5,608.75 for the 1 st \$1,000,000 + \$3.65 for each additional \$1,000

Reroof	Per Valuation Table (\$2 per sq. ft.)
Demolition Permit	\$200.00
Strong Motion (Seismic Hazard) Residential	.00013 X Valuation Amount
Strong Motion (Seismic Hazard) Commercial	.00028 X Valuation Amount
Building Standards Administration Special Revolving Fund	\$4.00 per \$100,000

Building Permit Fees:**Fee****Mechanical Permit Fee**

Mechanical Permit Issuance	\$23.50
Furnaces Forced Air or Gravity Type Up To 100K BTU	14.80
Furnaces Forced Air or Gravity Type Over 100K BTU	18.20
Furnaces Floor Furnaces	14.80
Furnaces Suspended Heater Wall Heater	14.80
Appliance Vents	7.25
Repairs or Additions	13.70
Boilers Compressors and Absorption 3 HP or Up to 100K BTU	14.70
Boilers Compressors and Absorption 15 HP or Up to 500K BTU	27.15
Boilers Compressors and Absorption Over 15 HP or Up to 1,000,000 BTU	37.25
Boilers Compressors and Absorption Over 30 HP or Over 1,000,000 BTU	55.45
Boilers Compressors and Absorption Over 50 HP or Over 1,750,000 BTU	92.65
Air Handlers Up To 10K CFM	10.65
Air Handlers Over 10K CFM	18.10
Ventilation and Exhaust Single Duct	7.25
Ventilation Not a Portion of Heating to Cooling	10.65
Ventilation Hood Fan Mechanical Exhaust	10.65
Incinerators Domestic Type	18.20
Incinerators Commercial Type	14.50
Miscellaneous Appliance or Equipment	10.65

Planning Fees:	Fee
<u>Planning Fee Type</u>	
Site Plan Review	\$1,236.00
Conditional Use Permit	1,676.00
Temporary Cond. Use Permit	160.00
Variance	1,156.00
Home Occupation Permit	160.00
Time Extensions	508.00
Appeals	438.00
<u>Division of Land</u>	
Tentative Tract Map (Plus \$15 Per Lot)	2,451.00
Final Map (Plus \$25 Per Lot)	1,811.00
Tentative Parcel Map	1,526.00
Final Parcel Map	1,246.00
Annexations	3,431.00
Developer Agreement	*1,000.00
Lot Line Adjustment	560.00
Lot Merger	560.00
Certificate of Compliance	520.00
<u>Zoning & General Plan Amendments</u>	
Zoning Ordinance Amendment (Map)	1,991.00
Zoning Ordinance Amendment (Text)	1,991.00
General Plan Amendment	2,286.00
Planned Unit Development	1,571.00
<u>Environmental Reviews</u>	
Initial Study/Negative Declaration	*1,000.00
Environmental Report	*1,000.00
Grading Plan Check	\$390 + \$30 per 1,000 cubic yards over 1,000 cubic yards
Grading Permit Fees	\$50 per 1,000 cubic yards over 1,000 cubic yards

*Base Amount: For unusual, large or complex projects the applicant will be charged for actual time and materials. The applicant will be required to deposit the required base amount and be billed for any expenses incurred by the City over that amount.

CITY OF ORANGE COVE



PARKS AND RECREATION DEPARTMENT FEE SCHEDULE

City of Orange Cove



Enterprise Funds Fee Schedules

City of Orange Cove Master Fee Schedule
Water Service Rates

Residential Water Rate Structure:	Fee
Per Month (Up to 10,000 gallons)	\$48.53
Usage (Per 1,000 gallons or fraction thereof above 10,000)	2.21

* Residential is defined as including single-family residential, duplex, triplex and multi-family customers.

** Residential construction water will be billed per the rate structure above.

Commercial and Industrial Water Rate Structure:	Fee
<u>Service (Meter) Charge / Per Month</u>	
½" x ¾" Meter	\$73.66
¾" x 1" Meter	77.69
1" Meter	85.76
1-½" Meter	110.99
2" Meter	151.36
3" Meter	242.15
4" Meter	343.05
6" Meter	423.77
Usage (Per 1,000 gallons or fraction thereof above 10,000)	2.21

**City of Orange Cove Master Fee Schedule
Wastewater Service Rates**

Residential Wastewater Rate Structure: **Fee**

Per Month (Up to 10,000 gallons)	\$39.60
Usage (Per 1,000 gallons or fraction thereof above 10,000)	1.32

* Residential is defined as including single-family residential, duplex, triplex and multi-family customers.

** Residential construction water will be billed per the rate structure above.

Commercial and Industrial Wastewater Rate Structure: **Fee**

Service (Meter) Charge / Per Month

5/8" x 3/4" Meter	\$81.33
3/4" x 3/4" Meter	85.45
1" Meter	93.70
1-1/2" Meter	119.48
2" Meter	160.73
3" Meter	253.54
4" Meter	356.66
6" Meter	439.15
Usage (Per 1,000 gallons or fraction thereof above 10,000)	1.32

**City of Orange Cove Master Fee Schedule
Disposal Department Residential Service**

Residential Disposal Rates:	Fee
90 Gallon Bin	\$21.03
Services Include: South East Regional Sur-Charge	
Admin/Billing/Reporting Fees	
Green Can Service	
Franchise Fee & CPI 2011-2012	

Recycle of Mattress Rates:	Fee
Top Mattress Only	\$25.00
Top Mattress & Box Spring	40.00

Commercial Bin Rates:	Fee
90 Gallon Bin	\$21.03
3 Yard - Service Per Week: 1	86.08
2	172.16
3	189.17
4	237.86
6	293.04

Recycle Service	
3 Yard - Service Per Week: 1	75.00
2	135.00

Miscellaneous:	Fee
Bulky Item	\$25.00
Tipping Fee	15.00

RESOLUTION NO. 2021-16

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE FISCAL YEAR 2021-22 MASTER FEE SCHEDULE**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Master Fee Schedule; and

WHEREAS, the City Council of the City of Orange Cove has, because of the review, identified the proposed Master Fee Schedule as beneficial to the financial operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Master Fee Schedule, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective July 1, 2021.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on April 14 , 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney



Date: March 24, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Request for Approval of \$5,000 donation from OC Knights for Women Youth Travel Softball Program.
Attachments: None.

BACKGROUND:

Staff was recently contacted by Jacob Del Bosque for a \$5,000 donation to help cover expenses for the Women's Youth Travel Softball Program. If approved by the City Council, the money will be used for registration and insurance fees as well as equipment and uniforms.

The Women's Youth Travel Softball Program is for young ladies ranging from ages 7-17 and has been operating since 2009. According to Mr. Del Bosque, the program has had great accomplishments throughout the years. One of the primary goals of the program is to build and empower great young ladies from the community.

The OC Knights club is a non-profit agency and if the donation is approved it will be made payable to the OC Knights.

RECOMMENDATION:

For the City Council to approve the \$5,000 donation to the OC Knights to help cover expenses for the Women Youth Travel Softball Program.

FISCAL IMPACT:

The \$5,000 donation would be funded from the City's General Fund.

Prepared by: _____ Approved by: 

REVIEW: City Manager: ☒ Finance: _____ City Attorney: _____

TYPE OF ITEM: COUNCIL ACTION: APPROVED DENIED NO ACTION

<input type="checkbox"/> Consent	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Info Item	<input type="checkbox"/> Matter Initiated by Council Member
<input checked="" type="checkbox"/> Action Item	<input type="checkbox"/> Other
<input type="checkbox"/> Department Report	<input type="checkbox"/> Continued to: _____
<input type="checkbox"/> Redevelopment Agency	_____

Mayor:
Victor P. Lopez

Mayor Pro Team:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Incorporated January 20, 1948

Rudy Hernandez
Interim City Manager
(559) 626-4488 ext. 216

Rudy Hernandez
Financial Consultant
(559) 626-4488 ext. 216

City Clerk:
June V. Bracamontes
(559) 626-4488 ext. 214

633 Sixth Street, Orange Cove, CA 93646 | Phone: (559) 626-4488 | FAX: (559) 626-4653

Date: April 14, 2021
To: The Honorable Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Identifying Potential New Sources of Revenue
Attachments: 1. Summary of Potential Revenue Options
2. Business License Tax
3. Parcel Tax
4. Utility Users Tax

BACKGROUND

During the last FY 2020-21 budget process, it was requested that staff identify and analyze revenue options reasonably available to the City to help balance general fund budgets and finance public safety expenditures. Some of the financial problems that are facing the City of Orange Cove include:

- 1) The fiscal year 2018-19, 2019-20 and 2020-21 annual budgets were all balanced on using one-time revenue sources such as land sales and grants. These one-time revenues should not be used for reoccurring expenses. A true balance budget is when current revenues equal or exceed current expenditures.
- 2) The cost of doing business continues to increase such as equipment and grounds maintenance, utilities, personnel costs, and other operating costs.
- 3) Economy down:
 - Retail sales due to COVID-19.
 - State continuing budget woes due to COVID-19
 - Anticipated decline in projected revenues such as property taxes and other City revenues.

One of the purposes for identifying new sources of revenue is to establish a stable source of funds within the City over the next several years to fund additional staff, wages and benefits, law enforcement, maintenance, and administrative support personnel.

DISCUSSION

Attached to this Staff Report is (i) a one page spreadsheet entitled "Summary of Potential Revenue Options"(Marked Attachment A) which summarily sets forth three (3) separate and independent potential sources of new or increased revenue for the City of Orange Cove; (ii) a two page synopsis entitled "Utility User Tax"(Marked Attachment B) highlighting the various considerations associated with raising "Utility User Tax;"(iv) a two page synopsis entitled "Parcel Taxes"(Marked Attachment C) highlighting the various considerations associated with raising "Parcel Taxes;" a two page synopsis entitled "Business License Tax"(Marked Attachment D) highlighting the various considerations associated with raising "Business License Tax".

Each of the identified potential sources of revenue require an election and an affirmative vote of either a majority or two-thirds, depending on the type and nature of the tax being sought. Generally, if the tax being considered can be categorized as a general tax (i.e., not for a specific purpose), then a majority vote is all that is required for its implementation. Conversely, if the tax being considered is deemed to be a "special tax," then a two-thirds vote is required. It is important to keep in mind that a "Parcel Tax" is considered a Special Tax, and therefore always subject to a two-thirds vote.

The three listed options, Utility User Tax, Business License Tax and Parcel Tax are presently being utilized/taxed by the City but are listed as potential revenue options since any increase in any of these taxes will generate additional income to the City. Unique to these three options is that they can be categorized as a general tax (i.e., not for a specific purpose), whereby a majority vote is all that is required for its implementation. Conversely, if raised for a specific purpose, each can consider to be a "special tax," whereby a two-thirds vote is required.

Of course, each of the different options are governed by different legal code sections, and all elections are subject to the campaign and election laws of the State of California. Further, because cities are not allowed to spend funds advocating a particular position for a ballot measure, strong community advocates are very important in determining the outcome of a particular election. This holds equally true for two-thirds vote and for a majority vote.

RECOMMENDED ACTION

1. It is recommended that the City Council review the three (3) potential revenue sources that staff has analyzed and determined may be available to augment City revenues.
2. Provide direction to Staff regarding which, if any, of the potential revenue sources the Council would like to further explore.

FINANCIAL IMPACT

None at this time; however, should the Council decide to proceed with one or more election, it is likely that consulting costs will be necessary, and that additional staff time will need to be allocated to each of the propositions.

Prepared by: _____ Approved by: 
REVIEW: City Manager: ✓ Finance: _____ City Attorney: _____

TYPE OF ITEM:	COUNCIL ACTION:	APPROVED	DENIED	NO ACTION
_____ Consent	_____ Public Hearing			
_____ Info Item	_____ Matter Initiated by Council Member			
<u>✓</u> Action Item	_____ Other			
_____ Department Report	_____ Continued to: _____			
_____ Redevelopment Agency	_____			

City of Orange Cove Summary of Potential Revenue Options April 14, 2021

Description of Revenue Option	Revenue Source		Required Voter Approval		Annual Revenues
	Increase in Existing	New	Majority	Two-Thirds	
Utility Users Tax: Current 7% tax is on electricity, gas, telephone & cable television	X		If general purpose	If special purpose	1% Increase = \$71,450 2% Increase = \$142,900 3% Increase = \$214,350 4% Increase = \$285,800 5% Increase = \$357,250
Parcel Tax: "Equivalent Dwelling Unit"		X		X	\$95 parcel tax for single family homes and specified amounts for multi-family, commercial, agricultural, and industrial parcels
Business License Tax: The average business license issued is for \$45	X		If general purpose	If special purpose	10% Increase \$2,050

Of the 3 potential options listed above, the utility users' tax would generate the revenue needed to balance the general fund budget and achieve the sustainability plan as shown below:

Utility Users Tax:

Step No.1 – Increase the utility users' tax from 7 to 10% which would result in an increase of 3%. This would generate \$214,350 annually as shown above. It should be noted that there are a number of California Cities that are already charging a 10% utility users' tax or higher.

Fiscal impact: - Electricity, Gas, Telephone, & Cable.

As shown above, the utility users' tax is currently charged for electricity, gas, telephone and cable. The fiscal impact on a resident would be based on usage. For example, if a resident's current monthly bill for electricity, gas, telephone, and cable is \$80.00. The current utility tax would be (\$80 x 7%) \$5.60. Under the new 10% proposal, the new utility users' tax would be (\$80 x 10%) \$8.00 resulting in an increase of (\$8.00 - \$5.60) \$2.40. Let us use another example, Let's assume that during a hot summer month, a resident's bill is \$300. Then their utility users' tax under the current rate of 7% would be (\$300 x 7%) \$21. Under the new proposed 10% rate, the utility users' tax would be (\$300 x 10%) \$30 for an increase of \$9.00.

Fiscal Impact: - Water Sales

Step No.2 - As shown above, there currently is no utility users' tax for water service. A 10% utility users' tax on water sales could generate approximately (\$1,750,300) \$175,000 annually. As stated above, there are several California Cities that are

City of Orange Cove Summary of Potential Revenue Options April 14, 2021

already charging a 10% utility users' tax or higher. We currently have 1,719 water customers where the minimum monthly rate for water services is \$48.53 for 10,000 gallons of water. These customers who use 10,000 gallons or less per month will see a utility users' tax of $(\$48.53 \times 10\%)$ \$4.85. Our records show that most of our water customers will use 10,000 gallons or less per month during the period of January – April and September-December. During the months of May-August, our records show that 55% of our residents will go over the 10,000-gallon limit and the average water bill will be \$64.00. The utility users' tax on \$64.00 will be $(\$64.00 \times 10\%)$ \$6.40.

Fiscal Impact Summary

If Council approves the go-ahead with the utility users tax ballot measure and if we are successful in passing this ballot measure, it will generate approximately \$214,350 from Electricity, Gas, Telephone, & Cable and \$175,000 from water sales annually for a total of \$389,350 on an annual basis. This will be enough to balance our general fund budget and will achieve our sustainability goal.

Fiscal Impact to Orange Cove Residents:

Scenario No. 1 – A customer who has an electricity, gas, telephone, and cable bill of \$80.00 for 1 month and uses the minimum amount of water (10,000 gallons or less) will see an increase of $(2.40 + 4.85)$ \$7.25.

Scenario No. 2 – A customer who has an electricity, gas, telephone and cable bill of \$300.00 for 1 month and uses more than the minimum amount of water (more than 10,000 gallons) and has an average water bill 64.00 will see an increase of $(9.00 + 6.40)$ \$15.40.

BUSINESS LICENSE TAX

What is a business license tax?

Anyone doing business in the City is required to pay a business license tax. The amount is generally base on gross receipts depending on the type of business.

Why is this an appropriate City funding source?

Placing this tax on the City's businesses appropriately recognized that they receive municipal services, and such, they should share in the cost of providing them.

Is this tax in place currently?

Yes. As noted above, the amount paid is generally based on gross receipts, although there are few flat rate categories. Business license taxed currently generate about \$20,500 per year.

Who pays this tax?

Any person or company conducting business in the City is required to pay a business license tax. Business activities include services, manufacturing, contracting and retail sales. This includes individuals and companies that may not have a fixed place of business in the City.

Are there any exemptions?

Very few:

- Bonified non-profit organizations
- Garage Sales (Pay \$5.00 Fee for 3 consecutive days).
- And while not specifically stated, any business types where the payment of local business taxes conflicts with applicable statues or constitution of the United States or the State of California. Banks and other lending institutions fall under this exemption.

Who currently receives the revenue?

The revenue goes directly into the City's General Fund and is used for general municipal purposes.

Can the city increase the tax rate?

Yes. Cities can set the business license tax rate at any level, if they are not discriminatory or confiscatory, and they are not based on net income.

How much revenue would a rate increase generate?

The average business license issued is for \$45. The City currently has approximately 150 business licenses issued. Each 10% increase would raise about \$2,050 annually.

What authority is required to increase this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

BUSINESS LICENSE TAX

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police, or fire; or with to-thirds voter approval, they must be used for specifically dedicated purposes.

How would this added revenue affect the diversity and stability of the City's revenue base?

Business license taxes currently account for about 1% of General Fund revenue. As such, increasing revenues from this source would help diversify the City's revenue base.

When could an increase be effective?

Theoretically, any increase could be implemented immediately upon voter approval. However, an effective date that is 120 to 180 days from the date of adoption is recommended to ensure a smooth transition for the City for required internal administrative and computer changes, and to communicate the changes to the business community. Additionally, any changes should be carefully coordinated with to avoid any conflicts with the City's annual October renewal cycle.

PARCEL TAXES

What is a parcel tax?

With two-thirds voter approval, parcel taxes are allowed in any amount if they are not based on property value. They may set based on either a flat rate per parcel or a variable rate depending on the size, use or number of units on the parcel. As a "special" tax, they must be levied for a specific service—such as police, fire, emergency medical service, libraries, or storm drainage.

Why is this an appropriate City funding source?

Many of the City's services are directly related to property. Additionally, at modest levels parcel taxes are usually very straightforward and easy to communicate to the public. On the other hand, at high levels, a flat rate may appear unfair since it is not based on the value of the parcel (like a property tax) or ability to pay (like sales or income taxes).

Is this tax in place currently?

Yes.

Who pays this tax?

Property owners within the City limits pay this tax.

Who currently receives the revenue?

The best approach of accounting for any new parcel taxes depends on its purpose, and whether it is fully or partially covering the cost. For example, if the parcel tax were to pay for only part of a specific service provided through the General fund, then accounting for it in the General fund would be appropriate. However, if it was intended to fully cover the cost of a specific service, then a separate fund may be warranted depending on the circumstances.

Can cities increase their parcel tax rate?

Yes. If the tax is not based on property value, there are no State or Federal limits on this revenue source.

Is the City currently receiving Parcel Tax Revenue?

Yes, the City is currently receiving \$257,980. Of this amount, \$206,384 (80%) goes the City and \$51,596 (20%) goes to the Orange Cove Fire District.

Do other cities have parcel taxes?

Over fifty cities in California—including the City of Pismo Beach—have adopted special parcel taxes for a broad range of services, including libraries, police service, fire service, paramedic services, storm water projects, cultural services, and street maintenance.

What authority is required to implement this tax?

Parcel taxes require two-thirds voter approval. This election can be held at any time.

How can these revenues be used?

While they must be designated for a specific purpose, parcel taxes can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police, or fire.

How are these revenues collected?

They would be collected by the County along with other taxes and assessments on the property tax roll and distributed to the City on the same remittance schedule.

How would this added revenue affect the diversity and stability of the City's revenue base?

PARCEL TAXES

Parcel taxes are a very stable revenue source. By expanding the City's revenue base and decreasing its reliance on the "Top 5" revenues—Utility Users Tax, Property Tax, Sales Tax, Franchise Fees, and Motor Vehicle In-Lieu, which together account for over 58% of General Fund revenues—parcel taxes would improve the diversity of the City's revenue base.

When could this new tax be effective?

An added parcel tax could be effective for the next tax year following voter approval.

Pros:

- Inexpensive administration – add to county roll.
- Stable, dependable cash flow
- Simple to explain.

Cons:

- Requires two third majority vote.
- Can be overly complex if attempt to balance inequities (Parcel size, type, multiple units, etc.)
- Competes with school districts (Their only source of optional local revenues) Currently 209 Districts levy.
- Not deductible from income tax (IRS bulletin 503)

UTILITY USERS TAX

What is a utility users' tax?

This is a tax on the consumption of utility services (such as natural gas, electricity, water, sewer, telephone, and cable), like the retail sales tax on commodities.

Why is this an appropriate City funding source?

Utility users' tax is an established means of generating General Fund revenue. Most residents and business in the State pay utility users tax (about 60%). Additionally, it is very stable revenue source, and helps diversify the City's revenue base.

Is this tax in place currently?

Yes. The City has a 7% utility users' tax for electricity, gas, telephone, and cable television services that generates \$500,000 annually.

Who pays this tax?

Residents or businesses using the utility pay the tax at the time the utility bill is paid.

Can cities set and increase their tax rate?

Yes. Cities can set the UUT rate at any level. There is no regulation of this revenue source by the State or Federal government.

How much revenue would a rate increase generate?

This depends on three key factors:

1. What utility services are subject to the tax? The broader the base, the greater the revenue. Most cities include the following utilities: gas, electric, telephone, cable television and water.
2. What is the tax rate? Of the 152 cities in California reporting revenues from this source to the State Controller in FY 2017-18, rates range from 1.0% to 12.5%.
3. Which users are subject to the tax? In some cities, only non-residential users are subject to the UUT; and in other, the rates are different. Additionally, some cities exclude other government agencies, or provide reduced (or waive) levels for senior citizens/and or low-income customers.

Based on current utility tax revenues collected for electricity, gas, telephone, and cable television service, a 1% increase would raise about \$71,450.

What is the UUT rate in similar cities?

Statewide, 152 cities have established a utility user tax ranging from 1% to 12.5%. Although a majority of cities do not have a utility users' tax, an overwhelming majority of State residents (approximately 60%) are covered by the tax.

What authority is required to implement this tax?

- **General Purpose.** If the revenues will be used for general purposes, majority voter approval is required. This must occur at the same time as regular Council elections, unless the Council declares an emergency by unanimous vote (in this case, the election may be held at any time).
- **Special Purpose.** If the revenues will be "earmarked" for a specific purpose, two-thirds voter approval is required. This election can be held at any time.

UTILITY USERS TAX

How can these revenues be used?

With majority voter approval, they can be used for any legitimate government purpose, such as parks, street maintenance, recreation, police, or fire; or with to-thirds voter approval, they must be used for specifically dedicated purposes.

How would these revenues be collected?

Utility companies are responsible for collecting this tax, at no cost to the City, and remitting it monthly to the City.

How would this added revenue affect the diversity and stability of the City's revenue base?

Utilities Users Tax is the City's "Number Two" General Fund revenue source, accounting for 15% of total General Fund sources. Utility Users Tax is relatively broad-base revenue that is paid by both residents and businesses. By introducing a major added source of revenue that would decrease the City's reliance of Motor Vehicle In-Lieu Property Tax Revenue, which currently accounts for 28% of total General Fund sources, a supplemental Utility Users Tax would improve the diversity of the City's revenue base.

When could this new tax be effective?

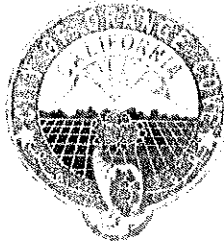
Theoretically, this new revenue could be implemented immediately upon voter approval. However, an effective date that is at least 90 days after adoption is recommended in order to allow enough lead time for notification to all utility companies and to allow them time to make the computer programming and billing changes required.

Pros:

- Utilizes existing billing system (Utility Companies)
- Automatically increases with utility company fees
- Can be a general-purpose tax (majority vote)

Cons:

- Regressive, requires extra administration for exempting seniors, low income, etc.
- Burdensome to businesses with high utility needs such as manufacturers
- Unpopular with public – many referendums
- Utility companies resistant – difficult and expensive to audit
- Rapid changing technology clouds taxable definitions



Date: April 14, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Review and Approve Budget Calendar for Fiscal Year 2021-22 Budget.
Attachments: Proposed FY 2021-22 Budget Calendar

BACKGROUND:

Attached is the proposed budget calendar for the preparation of the FY 2021/22 budget. A budget calendar is a schedule of activities that must be completed to create and develop a budget. Budget planning calendars are necessary for the creation of budgets used by government agencies.

RECOMMENDATION:

Staff recommends that the City Council approve the budget calendar for the fiscal year 2021-22 budget.

FISCAL IMPACT:

None.

Prepared by Rudy Hernandez

Approved by: [Signature]

REVIEW: City Manager: ✓

Finance: _____

City Attorney: [Signature]

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

_____ Consent

_____ Public Hearing

_____ Info Item

_____ Matter Initiated by a Council Member

X Action Item

_____ Other

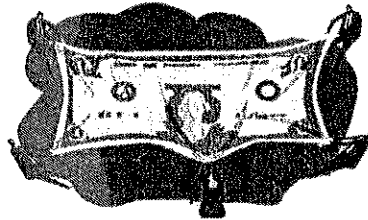
_____ Department Report

_____ Continued to: _____

_____ Redevelopment Agency



City of Orange Cove
PROPOSED BUDGET CALENDAR
FY 2021-22



Action	Date
✓ Budget Worksheets, Instructions, and Guidelines Distributed to Departments.	04/06/2021
✓ Budget Worksheets Due to Finance.	04/30/2021
✓ City Manager reviews budget requests Department Heads and Prepares Annual Budget	05/01/2021 - 05/28/2021
✓ City Manager submits proposed budget to City Council	06/09/2021
✓ City Staff and City Council conduct Budget Workshops	06/09/2021
✓ City Council Holds Public Hearing and Adopts Final FY 2021-22 budget	06/23/2021



Date: April 14, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Adoption of Mission and Vision Statements to be included in the Fiscal Year 2021-22 Budget.
Attachments: Mission and Vision Statements

BACKGROUND:

The Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) have adopted recommended budgeting procedures and policies that governments should include in their annual budgets. One of these is to have adopted mission and vision statements.

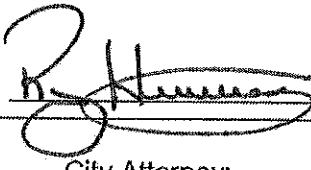
Mission Statement - A mission statement is a short statement of why a City exists, what its overall goal is, identifying the goal of its operations: what kind of product or service it provides, its primary residents, and its geographical region of operation. It may include a short statement of such fundamental matters as the City's values or philosophies.

Vision Statement - A vision statement describes what a City desires to achieve in the long-run, generally in a time frame of five to ten years, or sometimes even longer. It depicts a vision of what the City will look like in the future and sets a defined direction for the planning and execution of strategies.

RECOMMENDATION:

That the City Council approve the attached mission and vision statements and include them in our Fiscal Year 2021-22 Budget.

Prepared by Rudy Hernandez

Approved by: 

REVIEW: City Manager: ✓

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
____ Info Item
x Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council Member
____ Other
____ Continued to: _____



CITY OF ORANGE COVE
Fiscal Year 2021/2022 Preliminary Budget

Mission Statement

"The City of Orange Cove is committed to providing high quality municipal services to the residents of the City of Orange Cove in a reliable, professional, safe, cost effective, and environmentally conscious manner."

City Council

Victor P. Lopez
Mayor

Diana Guerra Silva
Mayor Pro Tem

Jose Cervantes
Council Member

**Esperanza
Rodriguez**
Council Member

Roy Rodriguez
Council Member



Management Team

Rudy Hernandez
Interim City Manager

June Bracamontes
City Clerk

Rudy Hernandez
Finance Director

Andy Valencia
Interim Public Works Superintendent

Marty Rivera
Chief of Police



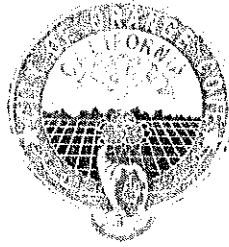
CITY COUNCIL

City of Orange Cove || (559) 626-4488
633 Sixth Street, Orange Cove, CA 93646

Vision Statement

The City of Orange Cove's City Council and Staff will team together to effectively fulfill the city's mission statement. The city will not only provide basic services, but will continue to improve upon those services and look to additional services to enhance the lives of city residents. This will be accomplished through thoughtful planning, innovation, and technology.





Date: April 14, 2021
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Adoption of Resolution Approving Vehicle Use Policy.
Attachments: Resolution No. 2021 -20 Approving the Vehicle Use Policy.

BACKGROUND:

The City of Orange Cove's proposed Vehicle Use Policy gives employees guidelines for obtaining, qualifying for, and using a City vehicle. A City vehicle is any vehicle the City of Orange Cove assigns to employees. This policy applies to all employees who use a City vehicle and applies during and outside working hours. This proposed Vehicle Use Policy was drafted by the Police Chief, Public Works Superintendent, and Interim City Manager. A critical part of this policy identifies the Take-Home Policy which is listed below:

2.02 Take-Home Vehicle

Take-home vehicles are assigned strictly to: Chief of Police, Lieutenant, Sergeant, K-9 Officer, Public Works Superintendent, Public Works Supervisor, Water Chief Plant Operator, Wastewater Chief Plant Operator and the person on-call for Public Works/Water & Wastewater Departments. The only exception to this will be for an officer to take-home a car when transporting a suspect to jail at the end of his/her shift. On such occasion, he/she can return the car the following morning when they come to work, they cannot take it home when going on days off. No employee shall be required to have a take-home vehicle as a condition of employment.

RECOMMENDATION:

That the City Council approve the attached resolution approving the Vehicle Use Policy.

Prepared by Rudy Hernandez

Approved by: [Signature]

REVIEW: City Manager: ✓

Finance: _____

City Attorney: _____

TYPE OF ITEM:

COUNCIL ACTION: APPROVED DENIED NO ACTION

____ Consent
____ Info Item
x Action Item
____ Department Report
____ Redevelopment Agency

____ Public Hearing
____ Matter Initiated by a Council
Member
____ Other
____ Continued to: _____

RESOLUTION NO. 2021-20

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE VEHICLE USE POLICY**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Vehicle Use Policy; and

WHEREAS, the City Council of the City of Orange Cove has, because of the review, identified the proposed Vehicle Use Policy as beneficial to the operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Vehicle Use Policy, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective immediately.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on April 14, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney

Policy Title : Vehicle Usage Policy

Policy : Account Policies and Procedures Manual

2.00 Purpose

This policy is intended to ensure the safety and well-being of city employees; to facilitate the efficient and effective use of city resources; to minimize the city's exposure to liability; to monitor the use of city-owned vehicles; and to comply with regulations relating to city vehicle usage.

2.01 Assignment of City Vehicles

- 2.01.01** City vehicles shall be assigned to departments, individual employees, or to a general vehicle pool on the basis of work responsibility. Vehicles may be assigned to an employee, either solely for use during normal working hours or as a take home vehicle when deemed appropriate and resources permit.
- 2.01.02** Vehicle assignments to individuals will be reviewed annually during the month of January, or when deemed necessary by each respective Department. Department Heads will maintain vehicle assignment list to include: the employee's name, the vehicle number (if applicable), and make and model.
- 2.01.03** When assigning a take home vehicle, the supervisor shall note which of the following two (2) criteria are met.
 - 1. Vehicle is equipped with tools and/or instrumentation that are essential in an emergency response situation. The employee responds directly to the scene of a time sensitive emergency and is trained to use the tools and equipment. If response is on a rotation basis, each employee will only take home the vehicle when he/she is in "on call" status. Note: Communication equipment alone is not considered a tool or instrument for this purpose.
 - 2. An employee's responsibilities require that he/she perform certain job functions on a regular basis outside of their normal work schedule, and the documented miles traveled and time per year between job destinations justify the decision.

2.02 Take-Home Vehicle

- 2.02.01** Take-home vehicles are assigned strictly to: Chief of Police, Lieutenant, Sergeant, K-9 Officer, Public Works Superintendent, Public Works Supervisor, Water Chief Plant Operator, Wastewater Chief Plant Operator and the person on-call for Public Works Department. The only exception to this will be for an officer to take-home a car when transporting a suspect to jail at the end of his/her shift. On such occasion, he/she can return the car the following morning when they come to work, they cannot take it home when going on days off. No employee shall be required to have a take-home vehicle as a condition of employment.

Policy Title : Vehicle Usage Policy
Policy : Account Policies and Procedures Manual

- 2.02.02** The operations of a take-home vehicle to and from work does not constitute work time and the employee is considered off the clock until they arrive at a bona-fide work assignment. Exception would be when responding to an emergency call.
- 2.02.03** All employees assigned take-home vehicles will live within 40 miles (based on actual driving distance) of City Hall or within Fresno/ Tulare County unless granted a specific exemption in writing by the City Manager.
1. Employees shall not circumvent the distance provision by obtaining an address within the limits of this policy, then frequenting an address beyond the approved distance.
 2. All exemptions shall be in writing from the City Manager and will be reviewed annually, and will expire on December 31st of the year granted.
- 2.02.04** When an employee who is assigned a take-home vehicle ends their residency within Fresno/Tulare County or moves beyond the 40 mile radius, the employee must immediately notify their supervisor of the change.
- 2.02.05** Any employee on light-duty or suspension is not authorized a take-home vehicle. The Department Head and/or City Manager has the discretion to reassign a take-home vehicle while an employee is out on suspension or while on light-duty.
- 2.02.06** Any employee on annual leave, or other available leave exceeding ten (10) days, will not keep possession of the take-home vehicle during such extended leave. The vehicle shall be parked in a secure location on City property as noted by their supervisor.

2.03 Revocation of Take-Home Authorization

Take-home authorization may be revoked:

- 2.03.01** For failure to comply with the provisions of this policy or when violating the city travel policy.
- 2.03.02** For a change in job assignment, duties or responsibilities such that a take-home vehicle is no longer justified.
- 2.03.03** In the event that the employee has had two (2) accidents in a City vehicle within an eighteen-month period and found to be at fault/avoidable.
- 2.03.04** If the employee fails to maintain a valid driver's license.
- 2.03.05** When placed on workman's compensation, or when under medical care in which driving is not permitted.
- 2.03.06** If the employee has violated the City's drug/alcohol policy.
- 2.03.07** As a result of disciplinary action.

Policy Title : Vehicle Usage Policy

Policy : Account Policies and Procedures Manual

- 2.03.08** When it is in the best interest of the City of Orange Cove as determined by the Department Head or City Manager.

2.04 Use of City Vehicles

- 2.04.01** Only City employees are authorized to operate City vehicles.
- 2.04.02** City vehicles are to be used as necessary to conduct business of the City and its operations. Employees shall not operate City vehicles for the purpose of conducting a private business or enterprise or any other personal use. However, it is recognized that a de minimus amount of personal use during the course of a scheduled shift, to include meal breaks, are permitted (as determined by the employee's supervisor).
- 2.04.03** The use of City vehicles for overnight and out-of-town travel shall be governed by the rules outlined in the City's Employee Travel Policy.
- 2.04.04** All drivers and business travelers must wear seat belts and obey traffic laws.
- 2.04.05** When cargo, materials or tools are being transported, the vehicle operator is responsible for assuring that all items are properly secured.
- 2.04.06** Employees are strictly prohibited from operating a City vehicle while under the influence of alcohol, and are likewise prohibited from using prescription or over the counter medication which may impair their ability to safely operate a motor vehicle.
- 2.04.07** No employee shall transport alcohol in a City vehicle. Excluding sworn public officers, if the alcohol is being transported in accordance with official duties.
- 2.04.08** Vehicles interiors shall be kept free of litter and debris. The physical appearance of the vehicle must create a good impression.
- 2.04.09** The use of tobacco products are not permitted in City vehicles.
- 2.04.10** Employees must comply with any preventative maintenance programs which may be required by the City.

2.05 Passengers and Animals

- 2.05.01** City vehicles are not to be used to transport non-employees for any reason.
- 2.05.02** No one under the age of 16 is permitted to ride in a City vehicle unless necessary as a direct result of the job (i.e. the arrest of a juvenile).
- 2.05.03** Elected and appointed officials, volunteers, interns, and part-time employees are permitted to ride in City vehicles.

Policy Title : Vehicle Usage Policy

Policy : Account Policies and Procedures Manual

- 2.05.04** No person shall be allowed to ride on running boards, fenders, hoods, tailgates, beds or other locations on a vehicle not designed or approved by the vehicle manufacturer for passenger seating or in violation of State and Federal laws.
- 2.05.05** Transportation of animals is prohibited except as necessary during the performance of official public safety business (i.e. K-9).
- 2.05.06** Deceased animals are permitted to be transported in the back of an open truck or trailers for purposes of disposal of such animal remains when done in a manner consistent with the City's established standards for such activity.

2.06 Citations

- 2.06.01** Any employee receiving a traffic or parking citation while operating a City vehicle shall immediately notify their supervisor.
- 2.06.02** The City assumes no responsibility or obligation to pay for any citations issued for a moving or parking violation(s). All fines and cost associated with the citation are the responsibility of the employee.

2.07 Operator Licensing

- 2.07.01** Employees operating a City vehicle shall possess a valid driving license during times of operations.
- 2.07.02** Operators of vehicles or equipment requiring a special class license (e.g. CDL) and/or endorsement, shall possess the same prior to operating such vehicles or equipment.

2.08 Altering Vehicles

- 2.08.01** City vehicles will not be altered in any way without first obtaining written approval of the appropriate Department Head to include but not limited to audio equipment, window tinting, lights, changes to the engine/performance of the vehicle, etc. All approved alterations of vehicle performance must be coordinated through Fleet Maintenance.
- 2.08.02** No City vehicle shall have any personal stickers, signs, flags, or any other similar attachment placed on or affixed to the vehicle unless previous approval or directive has been issued in writing by the City Manager or designee.
- 2.08.03** Vehicles must be affixed with the City or Department logo. Any tampering or removal of the logo will result in disciplinary action. Logos will not pertain to unmarked police vehicles as designated by the Chief of Police or other vehicles designated by the City Manager.

Policy Title : Vehicle Usage Policy
Policy : Account Policies and Procedures Manual

2.09 Vehicle Inspection

- 2.09.01 All employees will perform a "walk-around" of the vehicle to see if there are any visible problems prior to it being driven each day.
- 2.09.02 At a minimum of once a day, the employee shall check to make certain that all vehicle safety equipment including headlights, turn signals, brake lights, and windshield washers are functioning properly.
- 2.09.03 Any vehicle damage beyond normal wear and tear, or that includes defects affecting the safe operation of the vehicle, must be documented and reported to the employee's supervisor.
- 2.09.04 Employees must comply with an preventative maintenance programs.

2.10 Vehicle Accidents

- 2.10.01 In the case of an accident involving any level of damage, the employee driving the City vehicle shall immediately notify his supervisor. When the accident involves another vehicle or an injury the appropriate Law Enforcement Department shall be notified to obtain a full accident report.
- 2.10.02 All appropriate paperwork must be completed by the Department Head and submitted to the City Clerk/HR Department for review whenever there is damage to a vehicle or equipment owned by the City.
- 2.10.03 In the event that the City employee is determined to be at fault, disciplinary actions will be taken.
- 2.10.04 The City shall not be responsible for any increase in the employee's automobile insurance premium as a result of an accident or fines.

2.11 Use of Electronic Devices

Employees shall refrain from operating hand held cellular telephones or any other device that may cause vehicle operator distraction while operating a City vehicle. Employees shall make every attempt to properly park their vehicle or use a hands-free device when using such equipment.

2.12 Use of Privately Owned Vehicles

- 2.12.01 There are times in which the use of an employee's personal vehicle is preferable because either a City vehicle is not available or because the use of a privately owned vehicle is deemed more efficient.
- 2.12.02 The use of a personal vehicle to conduct official City business shall be reimbursed at the established City mileage rate.

Policy Title : Vehicle Usage Policy

Policy : Account Policies and Procedures Manual

- 2.12.03 All reimbursable mileage must be approved prior to conducting travel and in accordance with the travel policy.
- 2.12.04 Drivers using a personal vehicle for City business shall carry adequate personal vehicle liability insurance as required under California law.
- 2.12.05 The City assumes no responsibility for damages to privately owned vehicles.

2.13 Marked Police Vehicles

- 2.13.01 Officers will dress appropriately when using the marked patrol vehicle.
 - 1. Proper attire must be worn. Officers will wear some type of identifying attire if the officer is not in uniform, i.e., Department approved tee/polo shirt and display a badge on person.
 - 2. Officers will equip themselves with police identification, police radio, handcuffs, firearm, and spare magazines.
- 2.13.02 Officers will monitor the police radio at all times while operating a marked vehicle within City limits.
- 2.13.03 Personnel shall follow all other guidelines established through department policy.

2.14 Safeguarding Issued Equipment

- 2.14.01 Employees are responsible for safeguarding City-issued equipment associated with their assigned vehicles. This includes (but is not limited to) issued equipment which is normally left in the assigned vehicles. The employee shall ensure that all equipment is safeguarded prior to parking/leaving the vehicle.
- 2.14.02 The City will assume no responsibility for personal property stored or left in a City vehicle.

2.15 Reporting Requirements

- 2.15.01 For employees who fall within the provisions of the Internal Revenue Code, the City will comply with the Internal Revenue Service's regulations regarding the reporting of income. The employee is responsible for complying with all IRS regulations and any other regulatory requirements regarding employer provided vehicles.
- 2.15.02 Employees must forward a copy of their driver's license to the Human Resources Department and/or their supervisor a requested or when there is a change to their license. In the event of a license suspension, vehicle use will be terminated.
- 2.15.03 Employees who operate any City vehicle are responsible for notifying their immediate supervisor of any restrictions, limitations, or other change in their driving status.

RESOLUTION NO. 2021-20

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ORANGE COVE APPROVING THE VEHICLE USE POLICY**

WHEREAS, The City Council of the City of Orange Cove has reviewed the proposed Vehicle Use Policy; and

WHEREAS, the City Council of the City of Orange Cove has, because of the review, identified the proposed Vehicle Use Policy as beneficial to the operations of the City; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Orange Cove, California, finds that the proposed Vehicle Use Policy, attached hereto and made a part hereof, is hereby ratified by the City Council to become effective immediately.

This Resolution was adopted by the City Council of the City of Orange Cove at a meeting held on April 14, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

APPROVED AS TO FORM

June Bracamontes, City Clerk

Dan McClosky, City Attorney

Mayor:
Victor P. Lopez

Mayor Pro Team:
Diana Guerra Silva

City Council Members:
Roy Rodriguez
Josie Cervantes
Esperanza Rodriguez



Incorporated January 20, 1948

Rudy Hernandez
Interim City Manager
(559) 626-4488 ext. 216

Rudy Hernandez
Financial Consultant
(559) 626-4488 ext. 216

City Clerk:
June V. Bracamontes
(559) 626-4488 ext. 214

633 Sixth Street, Orange Cove, CA 93646 | Phone: (559) 626-4488 | FAX: (559) 626-4653

Date: April 14, 2020
To: The Honorable Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Review and Discussion of American Rescue Plan Act Relating to Potential One-Time Revenue Grant in the Amount of \$1,933,667.
Attachments: 1. The American Rescue Plan Act – League of California Cities
2. American Rescue Plan – California City Amounts as of 3-9-2021

BACKGROUND:

On March 11, 2021, the Federal American Rescue Plan Act of 2021 (ARP) became law and includes substantial aid for State and Local Governments. The monies will be distributed in tranches (sections), with the first payment made within 60 days of the law's enactment. The second tranche will be distributed a year after the first. The monies may be used for costs incurred by December 31, 2024.

CITY'S REVENUE SHARE OF THE AMERICAN RESCUE PLAN ACT:

The City's proposed share of the American Rescue Plan Act of 2021 is \$1,933,667. Please note this amount is subject to change per analysis from the US Treasury Department.

USE OF FUNDS

On March 16, 2021, I participated in a webinar which was sponsored by the League of California Cities in how the funds may be spent per the American Rescue Plan Act. The webinar did not address many critical issues since the US Treasury Department is still working on creating the guidelines in how the money may be spent. The advice provided was to submit your expenditure plan to the Treasury Department and have them approve it. For your review, the League of California Cities did provide a handout on what expenditures may be spent from the American Rescue Plan Act money as shown below (Kind of Vague/Unclear):

1. Allowable Uses as Drafted in Legislation (Included in Handout).
2. ARP Funding for Your Residents and Your Local Businesses (Included in Handout).
3. Health and Human Services (Included in Handout).
4. FEMA, Transportation and Education (Included in Handout).
5. Utility, Consumer, and Housing (Included in Handout).

Staff's Recommendation Regarding use of American Rescue Plan Act Dollars

Staff recommends that the City Council develop a spending plan that I can submit to the US Treasury Department for approval: Some Ideas may include:

Utility, Consumer, and Housing

- Emergency rent relief and utility assistance; extra for rural housing
- Emergency housing vouchers to address homelessness.
- Homeowner Assistance Fund – Mortgage payments, property taxes, utilities, and insurance.

Public Safety

Consider hiring a full-time police officer over a 3-year period (100% grant funded). After the 3-year period, the position will be eliminated. The additional police officer will assist with the following:

- Assist Police Officers with traffic control and food distributions and other distributions such as face mask, hand sanitizers and other supplies.
- Assist in responding to mental health problems related to COVID-19.
- Assist in dealing with domestic violence resulting from COVID-19.
- Cover cost of back filling for Police Officers who have been impacted by COVID-19.
- Provide additional assistance to Law Enforcement Staff.

Administrative Support

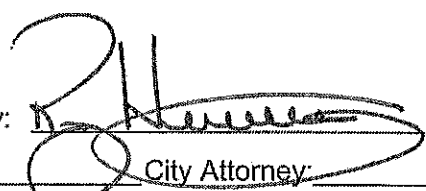

Consider hiring an Administrative person (Account Clerk, 100% grant funded) to assist with monitoring the grant and providing support to Orange Cove residents in filling out applications as they relate to the American Rescue Plan Act programs. Another responsibility would be to provide periodic reports to the US Treasury Department.

RECOMMENDATION:

For the City Council to review and discuss the American Rescue Plan Act and provide staff with direction.

FISCAL IMPACT:

None. All Proposed expenditures will be 100% funded from the American Rescue Plan Act Grant.

Prepared by: _____ Approved by:  _____
REVIEW: City Manager: ☒ _____ Finance:  _____ City Attorney: _____

TYPE OF ITEM:	COUNCIL ACTION:	APPROVED	DENIED	NO ACTION
_____ Consent	_____ Public Hearing			
_____ Info Item	_____ Matter Initiated by Council Member			
<input checked="" type="checkbox"/> Action Item	_____ Other			
_____ Department Report	_____ Continued to: _____			
_____ Redevelopment Agency	_____			

The American Rescue Plan Act

League of California Cities - March 16, 2021

Irma Esparza Diggs and Mike Wallace
National League of Cities

NLC
NATIONAL
LEAGUE
OF CITIES

CITIES STRONG TOGETHER

\$65.1 Billion in Relief for Cities, Towns and Villages

- Historic. This is the first time in history the government will provide funding to all 19,000 cities, towns and villages
- The CARES Act, Coronavirus Relief Fund went to cities with a population of greater than 500,000
- Tell Your “Respond, Rebuild, Recover” Story
- Focus on Economic Recovery, Stabilizing Government, and Uplifting Our Communities

COVID-19 Impact on California

- Since the pandemic began, more than 3.5 million people have been infected with COVID-19 and more than 54,000 people have died.
- The unemployment rate is 9.3%, up from 4.3% before the pandemic. **Municipal Jobs Lost**
- Since February 2020, more than 1.6 million fewer people are employed.
- 3.2 million adults – 13% of people in the state – report not having enough food to eat. This includes 1.8 million adults living with children, or 17% of all adults living with children, who report that the children in their household do not have enough to eat.
- An estimated 1.9 million renters of 16% of renters are not caught up on rent.
- An estimated 11.4 million adults or 41% of all adults statewide report having difficulty covering normal household expenses
- **ARP State and Local Relief Funds: \$27 billion** in state fiscal relief; **\$18.5 billion** in local fiscal relief; More than **\$15 billion** in relief for K-12 schools
- Economic impact payments of up to \$1,400 per person (above the \$600 per person provided in December) for more than 22 million adults and 9 million children. This is 80% of all adults in the state and 81% of all children in the state.
- Additional relief of up to \$1,600 per child through the Child Tax Credit to the families of 7.8 million children, lifting 553,000 children out of poverty
- Additional relief of up to nearly \$1,000 through the Earned Income Tax to 1.8 million childless workers, including many in frontline jobs

Source: American Rescue Plan State Fact Sheets: White House

State and Local Emergency Relief Funds

The \$350 billion in funding in the bill is broken down as follows:

- States: Providing \$195.3 billion for the state government
- Localities: Providing \$130.2 billion for local governments both counties and municipalities
- Tribal Governments: Providing \$20 billion to federally recognized tribal governments
- \$10 Billion Capital Project Fund: "to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency." Will go to states, tribes and territories

Use of Funds

- Respond to the COVID-19 emergency and address its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism and hospitality.
- Provide premium pay to essential employees or grants to their employers. Premium pay couldn't exceed \$13 per hour or \$25,000 per worker.
- Provide government services affected by a revenue reduction resulting from COVID-19.
 - Make investments in water, sewer or broadband infrastructure.
- State cannot use the funds towards pensions or to offset revenue resulting from a tax cut enacted since March 3, 2021. Local governments cannot use the funds towards pensions.
- State and local governments could transfer funds to private nonprofit groups, public benefit corporations involved in passenger or cargo transportation, and special-purpose units of state or local governments.

Allowable Uses As Drafted in Legislation

- (A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the metropolitan city, nonentitlement unit of local government, or county that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
 - This allows a municipality to provide up to \$13 per hour above regular wages.
- (C) for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or
 - Key here: **prior to the emergency**. The base year against which you will measure lost revenue happens not the most recent full fiscal year but the most recent full fiscal year prior to the emergency.
- (D) to make necessary investments in water, sewer, or broadband infrastructure.

Process

- Upon Certification (Must Actively Seek): Disbursement comes in Two Tranches (12 months apart)
- Use funds through December 31, 2024
- Funds distributed by Treasury within 60 days to Metropolitan Cities – generally 50,000 in population and above (CDBG Entitlement as defined by HUD)
- All others will receive theirs through the State
 - Non-entitlement cities (As defined by CDBG – generally 50,000 population and below)
 - Distribution based upon population
 - State has 30 days to distribute, can request waiver but penalty otherwise
 - Non-entitlement cities may not receive more than 75 percent of the city's most recent budget
- Counties will receive their allocation per capita
- In the final version, ALL recipients of money will have to provide periodic reports to Treasury.
 - Recipients of "payment made under this section shall provide to the Secretary periodic reports providing a detailed accounting of the uses of such funds by such metropolitan city, nonentitlement unit of local government, or county and including such other information as the Secretary may require for the administration of this section."


State Aid

- Treasury could withhold up to half of State's allocation based on unemployment rate, and require updated certification of need
- Base of \$500 million; Rest based on unemployment rate over 3-month period (Oct-Dec 20)

ARP Funding for Your Residents and Your Local Businesses

- Direct Payments - \$1,400 per person, reduced eligibility (\$80,000) – already being distributed
 - Local governments may want to ramp up Buy Local campaigns, send reminders about utility or tax payments
- Tax Credits - Increase to and extension of Earned Income, Dependent Care, and Child Tax Credit
- Tax Credits - Employee Retention Credit and Paid Leave Credit
- Tax Credits - Makes states and local governments eligible for FFCRA paid leave reimbursable tax credit, beginning March 31, 2021
- Extension to additional Unemployment benefits, federal component – applies at State level (unless an employer provides unemployment benefits on a reimbursement basis, with 75% subsidy for that)
- Limited PPP funding increase (March 31 closes) – includes nonprofit eligibility; EIDL increase
- Restaurant Revitalization Fund – grants equal to pandemic-related revenue loss
- Funding for shuttered venue operators
- Extends SNAP and WIC increases

Health and Human Services

- Health - Supplemental vaccination and testing grants for state and local distribution
 - Health - Funding available to state and local government public health departments to support workforce
 - Health - Funding available for community health centers
 - Health - Block grants under the Substance Abuse and Mental Health Services Administration
 - Human Services - Child Care and Development Block Grant – these go to the State then to providers
 - Human Services - Child Care Stabilization grants; Child Care Entitlement to States
 - Human Services - Emergency Funding to states for low-income families with children
 - Human Services - Mental Health Services Block grant, Substance Abuse Block grants, grants to Community Behavioral Health Clinics, funds for Head Start, home visiting programs, child abuse prevention and treatment grants, family violence grants
 - Human Services - Older American Act funding, including nutrition programs
 - Human Services - HHS – LIHEAP for energy assistance, plus water/sewer assistance
 - Medicaid and Medicare provisions that will apply at the state level, ACA provisions
 - 100% COBRA subsidy
- 

FEMA, Transportation and Education

- Maintain 100% FEMA reimbursement to states and local governments (Apply!)
- FEMA firefighter, SAFER, and emergency management performance grants (Suggest joint grant)
- Food supply chain – USDA purchases of food and seafood, seafood processors
- Operating assistance formula grants to states to support rural transit programs/agencies
- Airport funding – costs related to operations and COVID response; non-primary airports aid
- Education (ESSERF)– school districts ventilation systems, support staff, reduced class sizes, PPE, learning loss remediation - - Must have plan to return to in-person operations
- Education – funds to IDEA, non-public schools through governor; School and library internet funding through FCC E-rate program
- Education - States must maintain spending on both K-12 and higher education in FY 2022 and FY 2023 at least at the proportional levels relative to a state's overall spending, averaged over FY 2018, FY 2019 and FY 2020.
 - States cannot cut per-pupil spending for high-need districts more than other districts; cannot fund highest-poverty districts below FY19 funding

Utility, Consumer, and Housing

- University funding for lost revenue; restrictions on use, including to use for financial aid
- Emergency rent relief and utility assistance; extra for rural housing
- Emergency housing vouchers to address homelessness
- Homeowner Assistance Fund – mortgage payments, property taxes, utilities, insurance
- Housing – not more than 15% of funds can be used for admin by states and local governments
- Low-Income Household Drinking Water and Wastewater Emergency Assistance Program created under the FY 2021 Omnibus to assist with payments for drinking water and wastewater expenses
- VA construction funds to upgrade homes; support for state-operated facilities
- Emergency assistance through TANF
- EDA Economic adjustment assistance competitive grants for planning and projects
 - 25% reserved for states and communities to address losses in the travel, tourism or outdoor recreation sectors
- Corporation for Public Broadcasting – stabilization grants to small and rural stations

California's Allocations

- State and Local Fiscal Relief
State Government: \$26.065 billion; Metro Cities: \$7.046 billion; Non-Entitlement: \$1.310 billion;
Counties: \$7.663 Billion; State/Capital Projects: \$550 Million; Total \$42.634 Billion
- Additional Round of Direct Payments: California Households: 17,030,537; Total Amount of Payments: \$45,245,424
- Education Relief Funding: California State Share (SEA) \$15,068,885; Estimated Min to LEA \$13,561,996; \$2,712,399
- Emergency Rental Assistance: \$2.066 billion for California
- LIHEAP \$255.821 Million for FY2020; \$199.904 Million for FY2021
- Rural Transit: \$27,104,027 for Formula Grants for Rural Areas
- FEMA Disaster Relief Fund Estimates
- Child Care and CCDBG
- Head Start: \$105.140 million for California (no including previous funding)
- Transit Relief for Urbanized Areas for Metropolitan Cities
- Paratransit for Populations of 200,000 or More
- Enhanced and Expanded ACA subsidies, Additional Resources
- Incentives for Non-Expansion States to Expand Medicaid

Source: <https://www.democrats.senate.gov/arp>

Next Steps

- Join NLC as a member! See Next Slide.
- NLC will begin working with the Treasury Department and White House on the implementation of this section of the American Rescue Plan Act, as well as work to make suggestions on guidance.
- Weekly NLC Calls on Friday @ 1:30PM EST
- If you have any input, questions or to share your ARP Story, you can email:
 - advocacy@nlc.org

Join NLC As Member Contact:

NLC
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LEAGUE
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CITIES STRONG TOGETHER

@LEAGUEOFCITIES



American Rescue Plan - California City Amounts (as of 3.9.202

<u>Category</u>	<u>City</u>	<u>Amount</u>
Entitlement	Alameda	28,948,364 E
Entitlement	Alhambra	25,279,586 E
Entitlement	Aliso Viejo	5,481,131 E
Entitlement	Anaheim	107,511,359 E
Entitlement	Antioch	21,579,748 E
Entitlement	Apple Valley	14,875,333 E
Entitlement	Bakersfield	96,290,745 E
Entitlement	Baldwin Park	23,933,333 E
Entitlement	Bellflower	22,805,374 E
Entitlement	Berkeley	68,258,828 E
Entitlement	Buena Park	21,819,005 E
Entitlement	Burbank	26,051,750 E
Entitlement	Camarillo	8,150,702 E
Entitlement	Carlsbad	13,376,373 E
Entitlement	Carson	20,038,759 E
Entitlement	Cathedral City	15,287,939 E
Entitlement	Cerritos	5,641,731 E
Entitlement	Chico	21,713,610 E
Entitlement	Chino	14,003,707 E
Entitlement	Chino Hills	10,392,935 E
Entitlement	Chula Vista	60,836,741 E
Entitlement	Citrus Heights	15,934,193 E
Entitlement	Clovis	18,696,470 E
Entitlement	Compton	37,682,876 E
Entitlement	Concord	26,419,735 E
Entitlement	Corona	31,140,767 E
Entitlement	Costa Mesa	28,334,392 E
Entitlement	Cupertino	9,704,603 E
Entitlement	Daly City	26,793,054 E
Entitlement	Davis	18,545,956 E
Entitlement	Delano	14,198,941 E
Entitlement	Downey	27,286,002 E
Entitlement	El Cajon	34,012,527 E
Entitlement	El Centro	14,126,775 E
Entitlement	El Monte	43,621,208 E
Entitlement	Elk Grove	23,028,079 E
Entitlement	Encinitas	8,878,420 E
Entitlement	Escondido	45,342,276 E
Entitlement	Fairfield	21,487,689 E
Entitlement	Fontana	52,337,523 E

NonEntitlement	Menlo Park	6,531,139	N
NonEntitlement	Mill Valley	2,683,944	N
NonEntitlement	Millbrae	4,215,180	N
NonEntitlement	Monrovia	6,838,515	N
NonEntitlement	Montague	263,143	N
NonEntitlement	Montclair	7,544,747	N
NonEntitlement	Monte Sereno	645,058	N
NonEntitlement	Moorpark	6,846,797	N
NonEntitlement	Moraga	3,347,260	N
NonEntitlement	Morgan Hill	8,649,458	N
NonEntitlement	Morro Bay	1,984,489	N
NonEntitlement	Mount Shasta	616,259	N
NonEntitlement	Murrieta	21,876,435	N
NonEntitlement	Needles	936,623	N
NonEntitlement	Nevada City	592,542	N
NonEntitlement	Newark	9,251,223	N
NonEntitlement	Newman	2,218,080	N
NonEntitlement	Norco	5,007,620	N
NonEntitlement	Novato	10,449,671	N
NonEntitlement	Oakdale	4,441,430	N
NonEntitlement	Oakley	8,007,788	N
NonEntitlement	Ojai	1,406,064	N
NonEntitlement	Orange Cove	1,933,667	N
NonEntitlement	Orinda	3,750,633	N
NonEntitlement	Orland	1,473,261	N
NonEntitlement	Oroville	3,903,286	N
NonEntitlement	Pacific Grove	2,901,160	N
NonEntitlement	Pacifica	7,255,440	N
NonEntitlement	Palos Verdes Est:	2,498,352	N
NonEntitlement	Parlier	2,939,746	N
NonEntitlement	Patterson	4,239,650	N
NonEntitlement	Piedmont	2,095,920	N
NonEntitlement	Pinole	3,623,391	N
NonEntitlement	Pismo Beach	1,537,447	N
NonEntitlement	Placentia	9,643,490	N
NonEntitlement	Placerville	2,103,449	N
NonEntitlement	Pleasant Hill	6,557,679	N
NonEntitlement	Plymouth	202,533	N
NonEntitlement	Point Arena	84,514	N
NonEntitlement	Port Hueneme	4,127,089	N
NonEntitlement	Portola Valley	859,826	N
NonEntitlement	Portola	363,280	N
NonEntitlement	Poway	9,283,975	N
NonEntitlement	Rancho Mirage	3,487,490	N