



AGENDA

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, JUNE 8, 2022 - 6:30 P.M.

SENIOR CENTER

699 6th Street, Orange Cove, California 93646

LIVE MEETING

A. Call to Order/Welcome

Roll Call
Invocation
Flag Salute

B. Confirmation of Agenda

C. Presentation

1. Presentation by Angel Durazo Principal of Orange Cove High School introducing the Orange Cove High School Titan Towers

D. Consent Calendar

2. City Council Minutes April 27, 2022; May 11, 2022
3. City Warrants for May 2022

E. Administration

City Engineer

4. **SUBJECT:** Monthly update report on City Projects Presented by City Engineer Alfonso Manrique.

Recommendation: Informational item Only

5. **SUBJECT:** California Department of Transportation for the Clean California Grant Project

Recommendation: Council to consider approving Resolution No. 2022-32 Authorizing the Interim City Manager to Execute Agreements with the California Department of Transportation for the Clean California Grant Project

6. **SUBJECT:** Annal Project List for SB 1 FY 22-23

Recommendation: Council to consider approving Resolution No. 2022-33

7. **SUBJECT:** Loan Application to the Community Assistance Corporation for the Development of the Orange Cove Energy Efficiency Project

Recommendation: Council to consider approving Resolution No. 2022-31

Submit a Loan Application to the Community Assistance Corporation for the Development of the Orange Cove Energy Efficiency Project

8. **SUBJECT:** Execute the Program Supplement No. 00000A011 to Administering Agency-State Agreement for the State Funded Project No. 06-5301S21 and Authorize the Interim City Manager to Act on Behalf of the City of Orange Cove

Recommendation: Council to consider approving Resolution No. 2022-35 Execute the Program Supplement No. 00000A011 to Administering Agency-State Agreement for the State Funded Project No. 06-5301S21 and Authorize the Interim City Manager to Act on Behalf of the City of Orange Cove

Chief of Police:

9. **SUBJECT:** Monthly Activity Report by Police Chief Marty Rivera

Recommendation: Informational Item Only

10. **SUBJECT:** Police Firing Range at the Orange Cove Wastewater Plant

Recommendation: Council to approve the Police Firing Range as presented

Public Works Department

11. **SUBJECT:** Monthly update report on Public Works Department by Interim Public Works Superintendent Andy Valencia

Recommendation: Informational Item Only

Planning Department

12. **SUBJECT:** Monthly update report on City Projects Presented by Planner Shun Patlan

Recommendation: Informational Item Only

13. **SUBJECT:** Review and Discussion for a request for Temporary Septic System at Booth Ranch 440 Anchor Avenue, Orange Cove

Recommendation: Council to approve request for approval of an Onsite Temporary Engineered Septic System at Booth Ranch 770 Anchor Avenue with recommended "Conditions of Approval" on Exhibit A

Interim City Manager:

14. **SUBJECT: Public Hearing** CDBG applications for funding under the next fiscal year's (July to June) State Community Development Block Grant (CDBG) Program and to solicit citizen input on possible competitive and over the counter activities to be included in the application.

Recommendation:

15. **SUBJECT:** Financial Updates (Verbal)

Recommendation: Informational Item Only

16. **SUBJECT:** Request of Loan by Julia Lopez Day Care Center to Pay Employees and Vendors.

Recommendation: City Council to provide staff with direction

17. **SUBJECT:** Review and Discussion of the Conflict-of-Interest Policy

Recommendation: Council to approve the proposed changes to the Conflict-of-Interest Policy

18. **SUBJECT:** Regular Council Meeting June 22, 2022

Recommendation: Due to a lack of quorum staff is recommending to cancel the regular City Council Meeting of June 22, 2022

19. **SUBJECT:** Review and Discussion regarding the Cost-of-Living adjustment for city employees

Recommendation: Council to review and discuss Cost-of-Living adjustment and provide staff direction

F. 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.

G. City Manager's Report

H. City Attorney's Report

20. SUBJECT: Introduction and First Reading of Policy 706 Ordinance

Recommendation: Council to approve the Introduction and First Reading of Ordinance No. 391 by Title Only waive full reading AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE ADOPTING THE POLICY MANUAL FOR THE ORANGE COVE CITY POLICE DEPARTMENT REGARDING MILITARY EQUIPMENT USE POLICY

I. City Council Communications

J. Closed Session:

21. Performance Evaluation pursuant to Government Code Section 54957

Title: City Engineer

K. Reconvene Council Meeting

L. 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.



MINUTES

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, APRIL 27, 2022 - 6:30 P.M.

SENIOR CENTER

699 6th Street, Orange Cove, California 93646

LIVE MEETING

A. Call to Order/Welcome

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

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

Invocation Mayor Pro Tem Diana Guerra Silva

B. Confirmation of Agenda

Interim City Manager requested to table items #8, #16, #17 and #18

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved to table Items #8, #17, and #18 as presented.

Yes: Lopez, Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: None

C. Presentation

1. Presentation by Interim City Manager Rudy Hernandez introducing City Attorney Megan Dodd from Griswold, LaSalle, Cobb, Dowd & Gin, LLP

Interim City Manager introduced the new Attorney Megan Dodd from Griswold, LaSalle, Cobb, Dowd & Gin, LLP. Megan works 99.9% Municipal Cities

Mayor and Council welcomed Attorney Megan Dodd.

D. Consent Calendar

2. City Warrants for March 2022
3. City Council Minutes of March 29, 2022
4. Approving the Legal Service Agreement between the City of Orange Cove and Griswold, LaSalle, Cobb, Dowd & Gin, LLP for legal services

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved the Consent Calendar as presented.

Yes: Lopez, Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: None

E. Administration

City Engineer

5. **SUBJECT:** Monthly update report on City Projects Presented by City Engineer Alfonso Manrique.

Re

1. American Rescue Plan City Hall Front Office and Flooring Remodel
2. EDA Off-site Improvements at Northwest Corner of Park Blvd and Anchor Ave
3. City Hall Stairway and ADA Access
4. Victor P. Lopez Community Center Repairs
5. City Hall Phone and Internet Services
6. Active Transportation Program Cycle 6

Recommendation: Informational item Only

6. **SUBJECT:** Ordinance Amending Chapter 8.21 of Title 8 of the Orange Cove Municipal Code Pertaining to the Regulation of State Mandated Recycling Programs

Recommendation: Council to consider approving the introduction and first reading of Ordinance 390 by title only waiving full reading Amending Chapter 8.21 of Title 8 of the Orange Cove Municipal Code Pertaining to the Regulation of State Mandated Recycling Programs.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approve the introduction and first reading of Ordinance 390 by title only waiving full reading Amending Chapter 8.21 of Title 8 of the Orange Cove Municipal Code Pertaining to the Regulation of State Mandated Recycling Programs.

Yes: Lopez, Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: None

7. **SUBJECT:** Update on the City's Water Allocation for the 2022-23 Water Year

Recommendation: Informational Item Only

Bureau of Reclamation (Reclamation) notified the city that the initial water that will be available for the 2022-23 water year would be approximately 15 percent of the City's allocation of 1,400 ac-ft, which would be only 210 ac-ft. The Lower Tule Irrigation District then confirmed on March 4, 2022, that the city will not be able to purchase any additional water unless their water allocation is increased to 20 to 25 percent. Staff submitted a letter to the Reclamation's Area Manager Michael Jackson requesting an additional water allocation to meet basic health and safety needs of the city. Due to recent rain events, Staff has been notified by the Reclamation that they will be evaluating a potential increase in water allocations; however, at this time, it is unknown how much the Reclamation will be increasing allocations. If the Reclamation increases allocations to 20 to 25 percent, the Lower Tule Irrigation District has indicated that they will have water for the city to purchase. If the Reclamation does not grant the city an additional water allocation and allocations are not increased to 20 to 25 percent, the city will need to enter the open market to purchase water. Currently, the cost for water in the open market is approximately \$1,000 per acre-foot. Staff will then look into emergency funding offered by the USDA to purchase this water. In response to Governor Newsom's declaration of drought conditions in Fresno County last summer, the City declared a "Level 1 Water Supply Shortage" and implemented mandatory water conservation measures to protect the integrity of the City's water supply. This Level 1 Water Supply Shortage is still in effect, and the city is actively enforcing water conservation measures. Staff will also be sending out a notice to residents to remind them of the water conservation measures that are still in place. If necessary, Staff will evaluate if additional conservations are needed to reduce water demands.

8. **SUBJECT:** Update on the Preparation of the City's Stormwater Master Plan

Recommendation: Informational Item Only

Item tabled

9. **SUBJECT:** Update on the Affordable Housing Sustainable Communities (AHSC) Grant Improvement Project

Recommendation: Informational Item Only

The city has received \$3,045,000 in grant funding through the Affordable Housing Sustainable Communities (AHSC) Program for the construction of bike trails, pedestrian sidewalk, and various pedestrian and cycling amenities throughout the city. The following provides the breakdown of grant funds and the improvements and amenities that will be construction or implemented:

- \$1,350,000 to construct of approximately 20,800 linear feet (LF) of new Class II bike trails along the north and south side of Park Boulevard, the east and west side of South Anchor Avenue, the north and south side of South Avenue, and the east and west side of Center Street, and approximately 5,400 LF along the north and south side of Park Boulevard, the west side of South Anchor Avenue, and the west and east side of D Street. The new bikeways connect key destinations such as schools, parks, and the existing Class I bikeway (to be completed by City).
- \$870,000 to procure 30 Calvans vanpool vans to take residents of Amaya Village and residents from anywhere in Orange Cove to their agriculture or industrial jobs across the San Joaquin Valley (to be completed by Developer).
- \$740,000 to install pedestrian and cycling amenities, including street trees, drought tolerant landscape, street lighting, and intersection striping (to be completed by City).
- \$85,000 to provide residents of Amaya Village with a free transit pass on Fresno Rural Transit for three years. This funding also pays for additional marketing to residents and neighbors to spread awareness of the new Calvans vanpools (to be completed by Developer).

Staff is currently designing the proposed project improvements and estimates that the all improvements will be implemented by the end of 2023.

Chief of Police:

10. **SUBJECT:** Monthly Activity Report by Police Chief Marty Rivera

Recommendation: Informational Item Only

Police Chief Marty Rivera presented the following:

- Monthly April Crime Stats
- Monthly April Animal Control
- Staff Report

Planning Department

11. **SUBJECT:** Monthly update report on City Projects Presented by Planner Shun Patlan

Recommendation: Informational Item Only

Planner Shun Patlan presented the following to Council:

- Martinez Tract Map 18 home subdivision starting price \$320,000-\$325,000
- Blossom Estates Track Map 156 homes
- Orange Blossom Apartments relocate project to 5 acres City Industrial Park
- Macias on Sumner Avenue received final map
- Working on potential buyers: AMG; Raul Santillan; Jesus Lara
- Yanez 10 acres behind Dollar General

- 12. SUBJECT:** Purchase and Sale Agreement(s) between the City of Orange Cove and Raul Santellan

Recommendation: Council to consider approving Resolution No. 2022-19 Approving the Agreement(s) between the City of Orange Cove and Raul Santellan for the Purchase of 2.5 acres of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

Upon the motion by Councilman Rodriguez and seconded by Councilwoman Cervantes, Council approved Resolution No. 2022-19 Approving the Agreement(s) between the City of Orange Cove and Raul Santellan for the Purchase of 2.5 acres of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

Yes: Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: Lopez

- 13. SUBJECT:** Purchase and Sale Agreement(s) between the City of Orange Cove and Jesus Lara

Recommendation: Council to consider approving Resolution No. 2022-20 Approving the Agreement(s) between the City of Orange Cove and Jesus Lara for the Purchase of 1.0 acre of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

Yes: Lopez, Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: None

Upon the motion by Mayor Pro Tem Silva and seconded by Councilman Rodriguez, Council approved Resolution No. 2022-20 Approving the Agreement(s) between the City of Orange Cove and Jesus Lara for the Purchase of 1.0 acre of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

14. SUBJECT: Land Sale AMG and Associates

Recommendation: Council to consider approving Resolution No. 2022-21 Approving the Agreement(s) between the City of Orange Cove and AMG and Associates for the Purchase of .75 acre of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council Resolution No. 2022-21 Approving the Agreement(s) between the City of Orange Cove and AMG and Associates for the Purchase of .75 acre of City Owned Property and Authorize City Manager to Execute the Agreement(s) and Related Documents

Yes: Lopez, Silva, R. Rodriguez and Cervantes
No: None
Absent: E. Rodriguez
Abstain: None

Interim City Manager:

15. SUBJECT: Financial Update (Verbal)

Recommendation: Informational Item Only

May 7, 2022 Skate Board Event at the Dianne Skate Park and the City will buy the insurance in the amount \$365. Mr. Rodney Rodriguez and Dr. Santos presented to Council that they do this for the children and will be giving away 80 skate board and will have a live band, free raffle and free hotdogs.

16. SUBJECT: Review and Discussion of City's Dental Coverage

Recommendation: Staff recommends City Council to review and discuss the City's Dental Insurance Program and provide staff with direction

Tabled

F. 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.

1) Mr. Gordon Oakley new elected President of Orange Cove Chamber. Planning to work with the city and work as partners and will work on the vacant businesses.

2) Mr. Guy Graham from Dinuba lives in Squaw Valley works with Inter State Services for Homeless Housing and have units available meeting with City Manager Rudy Hernandez next.

G. City Manager's Report

No report

H. City Attorney's Report

No report

I. City Council Communications

No report

J. Closed Session: 7:53 pm

17. Conference with Labor Negotiators (Government Code Section 54957.6)

- a. City Designated Representative: Rudy Hernandez, Interim City Manager
- b. Employee Organization: International Union of Operating Engineers, Stationary Engineers, Local 39

Tabled

18. Conference with Labor Negotiators (Government Code Section 54957.6)

- a. City Designated Representative: Rudy Hernandez, Interim City Manager
- b. Employee Organization: Orange Cove Police Officers Association

Tabled

19. Conference with Legal Counsel
Significant Exposure to Litigation pursuant to Government Code Section 54956.9(b)(2): 1 potential case.

20. Government Code Section 54956.8
Conference with Real Property Negotiator
Property: APN 375-040-36T
City Negotiator: Interim City Manager
Negotiating Parties: Yanez Construction, Inc
Under Negotiation: Price and Terms of Payment

K. Reconvene City Council Meeting:

Mayor Lopez reconvened the City Council Meeting at 8:19 p.m. and announced Consensus to process.

L. Adjournment

Mayor Lopez adjourned the City Council Meeting at 8:20 p.m.

Respectfully submitted:

Presented to Council:

DATE: _____

ACTION: _____



CITY COUNCIL MEETING MINUTES

Victor P. Lopez, Mayor

Diana Guerra Silva, Mayor Pro Tem

Roy Rodriguez, Council Member

Josie Cervantes, Council Member

Esperanza Rodriguez, Council Member

WEDNESDAY, MAY 11, 2022 - 6:30 P.M.

LIVE MEETING

A. Call to Order/Welcome

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

STAFF PRESENT: Financial Consultant/Interim City Manager Rudy Hernandez
City Attorney Megan Dodd
Chief of Police, Marty Rivera (absent)
City Clerk June V. Bracamontes

Invocation: Mayor Pro Tem Silva
Flag Salute: Mayor Lopez

B. Confirmation of Agenda

Interim City Manager requested to table #7, #14

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Rodriguez, Council approved to table items #7 and #14 as presented.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

C. Consent Calendar

1. Ratify approval Laboratory & Toxicology Services Agreement

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Rodriguez, Council approved the Consent Calendar as presented.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

D. Administration

City Engineer

2. **SUBJECT:** Monthly update report on City Projects Presented by City Engineer Alfonso Manrique.

Recommendation: Informational item Only

1. American Rescue Plan A. City Hall Front Office and Flooring Remodel
2. Victor P. Lopez Community Center Repairs
3. 2021 Small Community Drought Relief Program
4. Proposition 68 Per Capita Grant – Eaton Park Renovation Project
5. Water Supply and Conservation

3. **SUBJECT:** Ordinance 390

Recommendation: Council to approve the second reading and adoption of Ordinance 390 by title only waive full reading Amending Chapter 8.21 of Title 8 of the Orange Cove Municipal Code Pertaining to the Regulation of State Mandated Recycling Programs.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved the second reading and adoption of Ordinance 390 by title only waive full reading Amending Chapter 8.21 of Title 8 of the Orange Cove Municipal Code Pertaining to the Regulation of State Mandated Recycling Programs.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

4. **SUBJECT:** Level 2 Water Conservation

Recommendation: Council to consider approving Resolution No. 2022-22 Declaring a Level 2 Water Supply Shortage and Authorize the Interim City Manager to Prepare and Mail out a Water Conservation Notice to Residents

Watering 1 time a week.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved Resolution No. 2022-22 Declaring a Level 2 Water Supply Shortage and Authorize the Interim City Manager to Prepare and Mail out a Water Conservation Notice to Residents Watering 1 time a week.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

5. **SUBJECT:** Deed Restriction for Accessor Parcel Number 375-040-36T Sequoia View Community Park

Recommendation: Council to consider approving Resolution No. 2022-23 Approving a Deed Restriction for the Sequoia View Community Park site, authorize the City Manager to execute the attached Deed Restriction, and authorize the City Clerk to record the Deed Restriction with the Fresno County Recorder's Office.

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Rodriguez, Council approved Resolution No. 2022-23 Approving a Deed Restriction for the Sequoia View Community Park site, authorize the City Manager to execute the attached Deed Restriction, and authorize the City Clerk to record the Deed Restriction with the Fresno County Recorder's Office.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

Public Works Department

6. **SUBJECT:** Monthly update report on Public Works Department by Interim Public Works Superintendent Andy Valencia

Recommendation: Informational Item Only

Andy Valencia presented to Council the following:

- 91-acre feet of water
- Water Plant A & B

- Wastewater Plant regular operations
- Public Works regular operations; street sweeper is down waiting for parts
- Starting to remove tree stumps on Rails to Trails
- Pot Holes and weed control through out the city and repairing sprinkles

Planning Department

7. **SUBJECT:** Monthly update report on City Projects Presented by Planner Shun Patlan

Recommendation: Informational Item Only

Tabled

Interim City Manager:

8. **SUBJECT:** Donation to the Orange Cove High School Graduation

Recommendation: Council to consider approving a \$2,000 donation to the Orange Cove High School Graduation

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved to donate \$2,000 to the Orange Cove High School Graduation.

Yes: Lopez, Silva, E. Rodriguez, Cervantes
No: None
Absent: R. Rodriguez
Abstain: None

Mayor and City Councilmembers:

9. **SUBJECT:** WELLS Conference June 10-11, 2022, Pico Rivera, CA and ICSC (Innovating Commerce Serving Communities) May 22-24, 2022 Las Vegas

Recommendation: Council to give staff direction

Council approved by Consensus

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

Interim City Manager presented due to his medical conditions in the next couple of weeks he will be coming in 2 days out of the week then after come back full time when Doctor releases him.

G. City Attorney's Report

10. **SUBJECT:** Resolution regarding November 8, 2022 Election requesting The Board of Supervisors of the County of Fresno to Consolidate and Canvass the General Municipal Election to be held on November 8, 2022

Recommendation: Council to consider approving Resolution No. 2022-21 Resolution regarding November 8, 2022 Election requesting The Board of Supervisors of the County of Fresno to Consolidate and Canvass the General Municipal Election to be held on November 8, 2022

Upon the motion by Mayor Pro Tem Silva and seconded by Councilwoman Cervantes, Council approved Resolution No. 2022-21 Resolution regarding November 8, 2022 Election requesting The Board of Supervisors of the County of Fresno to Consolidate and Canvass the General Municipal Election to be held on November 8, 2022.

| | |
|-----------------|--|
| Yes: | Lopez, Silva, E. Rodriquez, Cervantes |
| No: | None |
| Absent: | R. Rodriguez |
| Abstain: | None |

11. **SUBJECT:** Candidate Filing opens on Monday July 18 and closes on Friday August 12, 2022

Recommendation: Informational Item Only

City Attorney Megan Dodd presented to Council that Nominations open July 18 and closes Friday August 12, 2022

H. City Council Communications

None

I. Closed Session:

- 12.** Conference with Labor Negotiators (Government Code Section 54957.6)
 - a. City Designated Representative: Rudy Hernandez, Interim City Manager
 - b. Employee Organization: International Union of Operating Engineers, Stationary Engineers, Local 39
- 13.** Conference with Labor Negotiators (Government Code Section 54957.6)
 - a. City Designated Representative: Rudy Hernandez, Interim City Manager
 - b. Employee Organization: Orange Cove Police Officers Association
- 14.** Government Code Section 54956.8
Conference with Real Property Negotiator
Property: APN 375-040-36T
City Negotiator: Interim City Manager
Negotiating Parties: Yanez Construction, Inc
Under Negotiation: Price and Terms of Payment
- 15.** Government Code Section 54956.8
Conference with Real Property Negotiator
Property: Industrial Park - APN: 378-200-84T
City Negotiator: Interim City Manager
Negotiating Parties: Brian Young
Under Negotiation: Price and Terms of Payment

J. Reconvene Council Meeting

Mayor Lopez reconvened the City Council Meeting and announced no reportable action taken.

K. Adjournment

Mayor Lopez adjourned the Council Meeting.

RESPECTFULLY SUBMITTED:

June V. Bracamontes, City Clerk
City of Orange Cove

REPORT.: May 31 22 Tuesday
 RUN...: May 31 22 Time: 09:18
 Run By.: Dora Silva

CITY OF ORANGE COVE
 Cash Disbursement Detail Report
 Check Listing for 05-22 thru 05-22 Bank Account.: 1010

PAGE: 001
 ID #: PY-DF
 CTL.: ORA

| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|--------------|------------|---------------|---------------------------|-----------------------------------|--|--|
| 048039 | 05/09/22 | SBS01 | GOODSUITE | -11.00 -11.00 | INV139567u INV143048u | Ck# 048039 Reversed Ck# 048039 Reversed |
| | | | Check Total.....: | -22.00 | | |
| 048127 | 05/09/22 | NBS00 | NAVIA BENEFIT SOLUTIONS | -47.25 -47.25 | 10394252u 10401390u | Ck# 048127 Reversed Ck# 048127 Reversed |
| | | | Check Total.....: | -94.50 | | |
| 048306 | 05/23/22 | USA01 | USA BLUE BOOK | -330.46 | 695078u | Ck# 048306 Reversed |
| 048361 | 05/02/22 | VPL01 | VICTOR P LOPEZ | 93.58 | 05/02/22 | MEDICAL REIMBURSEMENT |
| 048362 | 05/03/22 | DIO00 | DIONICIO RODRIGUEZ JR. | 1500.00 | 0010343 | PROFESSIONAL SERVICES WTP INV #0010343 |
| 048363 | 05/03/22 | USB01 | U.S. BANK | 6513.12 | 04/29/22 | CREDIT CARD ENDING-0483 MAIN ACCT. |
| 048364 | 05/03/22 | WEC01 | WECO INDUSTRIES, LLC | 68694.16 | 0049400IN | HYDRO FLUSH SEWER JETTER #0049400-IN |
| 048365 | 05/03/22 | WIL16 | WILLDAN | 2252.50 2550.00 | 00335660 00335770 | BUILDING INSPECTOR-JOHN KARLIE PROFESSIONAL SERV. BUILDING INSPECTOR-JOHN KARLIE PROFESSIONAL SERVS. |
| | | | Check Total.....: | 4802.50 | | |
| 048366 | 05/09/22 | NBS00 | NAVIA BENEFIT SOLUTIONS | 47.25 47.25 | 10394252y 10401390y | Ck# 048366->048127 Replacement Ck# 048366->048127 Replacement |
| | | | Check Total.....: | 94.50 | | |
| 048367 | 05/12/22 | A.M01 | A.M PECHE & ASSOCIATES LL | 1236.19 | 04/29/22 | FINANCIAL CONSULTING SERVICES |
| 048368 | 05/12/22 | AFLAC | AFLAC | 1573.26 | 939646 | AFLAC INSURANCE PREMIUMS PAYABLE INV #939646 |
| 048369 | 05/12/22 | AMV01 | ALFREDO MARTINEZ VILLA | 365.00 | 05/03/22 | CERTIFICATE OF INSURANCE FOR SKATE EVENT 05/07/22 |
| 048370 | 05/12/22 | ASI00 | ASI ADMINISTRATIVE SOLUTI | 83.88 7.54 858.00 884.00 | 04/19/22 05/03/22 A1023285 A1023885 | MONTHLY CHECK REGISTER 4/18/22-4/22/22 FEES MONTHLY CHECK REGISTER 5/1/22-5/6/22 FEES MONTHLY MEDICAL ADMINISTRATION FEES-APRIL 2022 MONTHLY MEDICAL ADMINISTRATION FEES-MAY 2022 |
| | | | Check Total.....: | 1833.42 | | |
| 048371 | 05/12/22 | BK&81 | BARTKIEWICZ, KRONICK & SH | 342.00 | 04/07/22 | LEGAL SERVICES FOR MARCH 2022 FILE NO. 8926.0001 |
| 048372 | 05/12/22 | COL03 | COLLINS & SCHOETTLER | 460.00 | 1287 | PLANNING CONSULTANT-APRIL 2022 INV #1287 |
| 048373 | 05/12/22 | DG001 | DIANA GUERRA SILVA | 687.45 | 05/06/22 | MEDICAL REIMBURSEMENT |

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| Check Number | Check Date | Vendor Number | Vendor Name | Net Amount | Invoice # | Description |
|-------------------|------------|---------------|---------------------------|--|--|---|
| 048374 | 05/12/22 | FWUA1 | FRIANT WATER AUTHORITY | 3471.00 | 115345 | MONTHLY SHARE OF FKC ROUTINE OM&R COST-MAY 2022 |
| 048375 | 05/12/22 | GWL01 | GRISWOLD LASALLE | 205.00 1742.50 1845.00 1845.00 362.50 | 24375.001 24375.002 24375.004 24375.005 24375.007 | PROFESSIONAL SERVICES ACCT #24375.001 PROFESSIONAL SERVICES ACCT #24375.002 PROFESSIONAL SERVICES ACCT #24375.004 PROFESSIONAL SERVICES ACCT #24375.005 PROFESSIONAL SERVICES ACCT #24375.007 |
| Check Total.....: | | | | 6000.00 | | |
| 048376 | 05/12/22 | HIN01 | HINDERLITER DELLAMAS & AS | 4.92 | SIN013023 | PROFESSIONAL SERVICES-AUDIT SERVICES SALE TAX |
| 048377 | 05/12/22 | KB002 | KIRKMAN BECK | 1094.68 | 28646 | TEMP SERVICES FOR ALISIA MALDONADO INV #28646 |
| 048378 | 05/12/22 | NBS00 | NAVIA BENEFIT SOLUTIONS | .00 .00 47.25 47.25 47.25 47.25 150.00 | 10394252y 10401390y 10409197 10438936 10448734 10456260 A1021412 | Ck# 048366->048127 Replacement Ck# 048366->048127 Replacement MONTHLY MEDICAL ADMINISTRATION FEES MONTHLY MEDICAL ADMINISTRATION FEES MONTHLY MEDICAL ADMINISTRATION FEES MONTHLY MEDICAL ADMINISTRATION FEES MONTHLY MEDICAL ADMINISTRATION FEES ANNUAL MEDICAL ADMINISTRATION FEES |
| Check Total.....: | | | | 339.00 | | |
| 048379 | 05/12/22 | PAR33 | PARAMOUNT PEST SERVICES | 365.00 | 220400325 | PEST CONTROL FWD, WTP, WWTP, PD |
| 048380 | 05/12/22 | PRO21 | PROFESSIONAL PRINT & MAIL | 1277.33 | 112019 | PRINTING-MARCH 2022 UTILITY MONTHLY BILLS #112019 |
| 048381 | 05/12/22 | QUI05 | QUILL CORPORATION | 10.57 266.95 | 24657531 24679760 | OFFICE SUPPLIES-CITY HALL INV #24657531 OFFICE SUPPLIES FOR CITY HALL INV #24679760 |
| Check Total.....: | | | | 277.52 | | |
| 048382 | 05/12/22 | SB901 | GOODSUITE | 11.00 11.00 11.00 129.35 | 139567 143048 INV149658 INV131901 | MAGENTA TONER SHIPPING INV #INV139567 BLACK TONER SHIPPING INV #INV143048 BLACK TONER SHIPPING INV #INV149658 REMOTE IT SERVS. & CONTRACT OAGES. 4/1/22-4/30/22 |
| Check Total.....: | | | | 162.35 | | |
| 048383 | 05/12/22 | SUP03 | SUPERIOR POOL PRODUCTS LL | 1608.07 | Q2018325 | CHLORINE FOR WTP |
| 048384 | 05/12/22 | SWRCB | SWRCB | 1172.00 | SW0238856 | ANNUAL PERMIT FEE INV #SW-0238856 |
| 048385 | 05/12/22 | VOR01 | VORTAL, INC | 225.00 | 1642 | MONTHLY MAINTENANCE & PROFESSIONAL SERVICES #1642 |
| 048386 | 05/18/22 | ALH01 | SPARKLETTES | 238.74 | 843050122 | WATER SERVICE AND EQUIPMENT RENTAL #11244843050122 |

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| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|--------------|------------|---------------|---------------------------|----------------------------|-------------------------------------|---|
| 048387 | 05/18/22 | ALV10 | VICKY R ALVARADO | 260.00 | 05/18/22 | 2022 TRAVEL EXPENSE ADVANCEMENT |
| 048388 | 05/18/22 | DG001 | DIANA GUERRA SILVA | 260.00 | 05/17/22 | TRAVEL & MILEAGE ADVANCEMENT D.GUERRA SILVA |
| 048389 | 05/18/22 | FCE01 | FRESNO COUNTY ELECTIONS O | 27176.93 | 22-001 | ELECTION NOVEMBER 2021 INV #22-001 |
| 048390 | 05/18/22 | JOS02 | JOSIE CERVANTES | .00 260.00 | 01/20/22y 05/17/22 | Ck# 048109->048028 Replacement TRAVEL & MILEAGE ADVANCEMENT J.CERVANTES |
| | | | Check Total.....: | 260.00 | | |
| 048391 | 05/18/22 | JWN01 | JARIBU W. NELSON, CPA | 3750.00 | 05112022 | PROFESSIONAL SERVICES INV #05112022 |
| 048392 | 05/18/22 | LIF01 | LIFELOC TECHNOLOGIES | 657.50 | 362295 | PORTABLE BREATH TESTER (ALCOHOL) |
| 048393 | 05/18/22 | OCH00 | ORANGE COVE HIGH SCHOOL | 2000.00 | 05/16/22 | ORANGE COVE HIGH SCHOOL GRADUATION DONATION |
| 048394 | 05/18/22 | OCTS1 | ORANGE COVE TIRE SERVICE | 67.91 67.91 | 27867 27912 | UNIT 19-07 OIL CHANGE INV #27867 UNIT 15-05 OIL CHANGE INV #27912 |
| | | | Check Total.....: | 135.82 | | |
| 048395 | 05/18/22 | PD001 | PENA'S DISPOSAL | 49340.57 | APRIL2022 | DISPOSAL SERVICES-PENA CO. MONTH APRIL 2022 |
| 048396 | 05/18/22 | QUI05 | QUILL CORPORATION | 172.04 100.32 161.15 | 25055201 25058080 25116496 | OFFICE SUPPLIES FOR CITY HALL REMODEL PROJECT OFFICE SUPPLIES FOR CITY HALL REMODEL PROJECT OFFICE SUPPLIES FOR CITY HALL REMODEL PROJECT |
| | | | Check Total.....: | 433.51 | | |
| 048397 | 05/18/22 | RIV04 | RIVERA JUAN | 698.35 | 05/18/22 | REIMBURSEMENT FOR YANEZ CONST. PROJ. MARTINEZ ST. |
| 048398 | 05/18/22 | ROD40 | RODRIGUEZ, ESPERANZA | 700.80 | 05/17/22 | TRAVEL & MILEAGE ADVANCEMENT E.RODRIGUEZ |
| 048399 | 05/18/22 | SBS01 | GOODSUITE | 249.99 | INV152510 | COPIER MOVED TO PARKING LOT TRAILER #INV152510 |
| 048400 | 05/18/22 | UWB01 | UNWIRED BROADBAND | 249.99 | 01327700 | COMMUNICATION |
| 048401 | 05/18/22 | OCL02 | ORANGE COVE LIQUOR | 6412.48 | APRIL2022 | GAS FOR PD MONTH APRIL 2022 |
| 048402 | 05/20/22 | RR001 | ROY RODRIGUEZ | 217.49 | 05/19/22 | MEDICAL REIMBURSEMENT |
| 048403 | 05/24/22 | APV01 | ARAMARK- ACCOUNTS RECEIVA | 58.51 56.38 51.47 | 000140908 000140945 000140984 | JANITORIAL SUPPLIES WTP INV #258000140908 JANITORIAL SUPPLIES WTP INV #258000140945 JANITORIAL SUPPLIES AT CITY HALL INV #258000140984 |
| | | | Check Total.....: | 166.36 | | |
| 048404 | 05/24/22 | COL08 | COLBORN COMMUNICATIONS | 2597.00 | 1349 | WIRE & ELECTRICAL LINE- OFFICE REMODEL/TRAILER |

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| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|--------------|------------|---------------|---------------------------|--|--|---|
| 048405 | 05/24/22 | DOJO1 | DEPARTMENT OF JUSTICE | 32.00 | 580095 | LIVE SCAN INV #580095 |
| 048406 | 05/24/22 | FCSFF | FRESNO COUNTY SHERIFF | 361.02 12686.84 | 8019353 8019385 | PRISONER PROCESSING SERVICES INV #8019353 DISPATCHING SERVICES INV #8019385 |
| | | | Check Total.....: | 13047.86 | | |
| 048407 | 05/24/22 | FOO02 | FOOTHILL AUTO TRUCK & AG | 17.27 | 912214 | PADLOCK FOR CITY HALL INV #912214 |
| 048408 | 05/24/22 | FRON1 | FRONTIER | 141.71 | 05/07/22 | COMMUNICATION ACCT #213-031-7012-081913-5 |
| 048409 | 05/24/22 | HWS01 | HEALTHWISE SERVICES, LLC | 33.10 | 000120181 | KIOSK LEASE FEE-SHARPS INV #0000120181 |
| 048410 | 05/24/22 | KOEFR | KOEFRAN INDUSTRIES, INC. | 205.00 | 000509960 | ANIMAL SHELTER FEES-PICK UP CARCASSES #0000509960 |
| 048411 | 05/24/22 | MVES1 | MOUNTAIN VALLEY ENVIRONME | 569.20 | 3602 | CHIEF PLANT OPERATOR AND SUPERVISION SERVICES |
| 048412 | 05/24/22 | EAT07 | ENCARNACION PATLAN | 54.20 | 05/05/22 | MILEAGE REIMBURSEMENT |
| 048413 | 05/24/22 | PRO21 | PROFESSIONAL PRINT & MAIL | 1277.33 | 112349 | PRINTING-APRIL 2022 MONTHLY UTILITY BILLS #112349 |
| 048414 | 05/24/22 | QUI05 | QUILL CORPORATION | 14.03 114.65 75.57 41.12 41.72 | 24621141 24652892 24749197 24806759 24834917 | OFFICE SUPPLIES FOR PD INV #24621141 OFFICE SUPPLIES FOR PD INV #24652892 OFFICE SUPPLIES FOR PD INV #24749197 OFFICE SUPPLIES INV #24806759 FOR PD OFFICE SUPPLIES INV #24834917 |
| | | | Check Total.....: | 287.09 | | |
| 048415 | 05/24/22 | RW001 | RED WING SHOE COMPANY | 202.88 | 837159827 | SAFTY BOOTS FOR ALVARO CAMPOS #837-1-59827 |
| 048416 | 05/24/22 | VPL01 | VICTOR P LOPEZ | 146.15 | 05/23/22 | MEDICAL REIMBURSEMENT |
| 048417 | 05/24/22 | WIL16 | WILLDAN | 1742.50 | 00336243 | BUILD INSPECTION-JOHN KARLIE PROFESSIONAL SERVICES |
| 048418 | 05/27/22 | AFLAC | AFLAC | 1573.26 | 318110 | AFLAC INSURANCE PREMIUMS PAYABLE INV #318110 |
| 048419 | 05/27/22 | AMERI | AMERITAS LIFE INSURANCE C | 665.00 3920.40 | JUNE2022 JUNE 2022 | EMPLOYEE VISION INSURANCE COVERAGE 6/1/22-6/30/22 EMPLOYEE DENTAL INSURANCE COVERAGE 6/1/22-6/30/22 |
| | | | Check Total.....: | 4585.40 | | |
| 048420 | 05/27/22 | ATT05 | AT & T | 70.24 347.04 | 5/15/22 05/03/22 | COMMUNICATION LONG DISTANCE ACCT #051 934 9330 001 COMMUNICATION & UVERSE |
| | | | Check Total.....: | 417.28 | | |
| 048421 | 05/27/22 | AV002 | ANDREW W. VALENCIA | 612.82 | 05/26/22 | REIMBURSEMENT FOR RENTAL VEHICLE FOR WATER CLASS |

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| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|--------------|------------|---------------|---------------------------|------------------|-----------------------|---|
| 048422 | 05/27/22 | BMI01 | BADGER METER, INC | 585.12 | 80090312 | BEACON FIXED NETWORK SERVICE UNIT SERVICES |
| 048423 | 05/27/22 | CMM01 | CITRUS MINI-MART | 2674.46 | 1239 | GAS FOR CITY VEHICLES PWD,WTP,WWTP |
| 048424 | 05/27/22 | CN002 | AT&T - CALNET | 8978.76 | 05/26/22 | CALNET 3-COMMUNICATION |
| 048425 | 05/27/22 | DAP01 | DODSON AUTO PARTS | 20.18 74.48 | 50814 50822 | FUEL CAP FOR LAWN MOWER INV #50814 ELECTRIC CUTTING TORCH FOR CITY YARD INV #50822 |
| | | | Check Total.....: | 94.66 | | |
| 048426 | 05/27/22 | FWUA1 | FRIANT WATER AUTHORITY | 1464.86 | 115372 | SLDMWA FOR BILLING APRIL 2022 INV #115372 |
| 048427 | 05/27/22 | PAT07 | ENCARNACION PATLAN | 50.00 | 05/27/22 | NOTARY SERVICE FEE |
| 048428 | 05/27/22 | RS001 | ROSENOW SPEVACEK GROUP | 183.75 | 1008707 | PROFESSIONAL SERVICES INV #1008707 |
| 048429 | 05/27/22 | UNITY | UNITY IT | 390.94 | 05/17/22 | REPLACEMENT BATTERY FOR SERVER |
| 048430 | 05/27/22 | USB01 | U.S. BANK | 19285.88 | 05/27/22 | CREDIT CARD ENDING-0483 MAIN ACCT. |
| 048431 | 05/27/22 | VPL01 | VICTOR P LOPEZ | 539.26 500.00 | JULY2022 JULY 2022 | MEDICAL REIMBURSEMENT CO-PAY AUTO ALLOWANCE-MONTH JULY 2022 |
| | | | Check Total.....: | 1039.26 | | |
| 048432 | 05/27/22 | WEE01 | W&E ELECTRIC | 252.70 | 2203067 | LIGHT REPAIRS FOR RAILS TO TRAILS INV #2203067 |
| | | | Cash Account Total.....: | 259496.06 | | |
| | | | Total Disbursements.....: | 259496.06 | | |
| | | | Cash Account Total.....: | .00 | | |

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CITY OF ORANGE COVE
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| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|-----------------|---------------|------------------|---------------------------|--------------------------------|------------------------------|--|
| 700614 | 05/05/22 | CSD02 | CALIFORNIA STATE DISBURSE | 125.40 | C20505 | Garnishment |
| 700615 | 05/05/22 | EDD01 | EMPLOYMENT DEVELOP. DEPT. | 1991.84 1000.09 | C20505 1C20505 | State Income Tax SDI |
| | | | Check Total.....: | 2991.93 | | |
| 700616 | 05/05/22 | EDD02 | EDD SUI | 138.52 | C20505 | SUI |
| 700617 | 05/05/22 | PER01 | P.E.R.S. FOR THE 457 | 305.00 | C20505 | 457 Plan |
| 700618 | 05/05/22 | SEC00 | UNION BANK | 7948.84 11273.56 2636.54 | C20505 1C20505 2C20505 | Federal Income Tax FICA Medicare |
| | | | Check Total.....: | 21858.94 | | |
| 700619 | 05/05/22 | STA20 | STATE DISBURSEMENT UNIT | 897.69 50.00 | C20505 1C20505 | Garnishment Misc Deduction |
| | | | Check Total.....: | 947.69 | | |
| 700625 | 05/18/22 | CSD02 | CALIFORNIA STATE DISBURSE | 125.40 | C20518 | Garnishment |
| 700626 | 05/18/22 | EDD01 | EMPLOYMENT DEVELOP. DEPT. | 2054.71 982.40 | C20518 1C20518 | State Income Tax SDI |
| | | | Check Total.....: | 3037.11 | | |
| 700627 | 05/18/22 | EDD02 | EDD SUI | 60.86 | C20518 | SUI |
| 700628 | 05/18/22 | PER01 | P.E.R.S. FOR THE 457 | 305.00 | C20518 | 457 Plan |
| 700629 | 05/18/22 | SEC00 | UNION BANK | 8021.89 11073.86 2589.82 | C20518 1C20518 2C20518 | Federal Income Tax FICA Medicare |
| | | | Check Total.....: | 21685.57 | | |
| 700630 | 05/18/22 | STA20 | STATE DISBURSEMENT UNIT | 897.69 50.00 | C20518 1C20518 | Garnishment Misc Deduction |
| | | | Check Total.....: | 947.69 | | |
| 700631 | 05/25/22 | EDD01 | EMPLOYMENT DEVELOP. DEPT. | 105.90 44.56 | C20525 1C20525 | State Income Tax SDI |
| | | | Check Total.....: | 150.46 | | |
| 700632 | 05/25/22 | SEC00 | UNION BANK | 293.11 | C20525 | Federal Income Tax |

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| Check Number | Check Date | Vendor Number | Name | Net Amount | Invoice # | Description |
|-----------------|---------------|------------------|---------------------------|---------------|-----------|--------------------|
| 700632 | 05/25/22 | SEC00 | UNION BANK | 502.34 | 1C20525 | FICA |
| | | | | 117.48 | 2C20525 | Medicare |
| | | | Check Total.....: | 912.93 | | |
| 700633 | 05/27/22 | IU000 | IUOE LOCAL 39 | 734.55 | C20531 | Union Due Local 39 |
| 700634 | 05/27/22 | PER03 | PERS HEALTH INSURANCE | 49049.24 | C20531 | MEDICAL INSURANCE |
| | | | Cash Account Total.....: | 103376.29 | | |
| | | | Total Disbursements.....: | 103376.29 | | |

ENGINEER'S REPORT

TO: CITY COUNCIL
FROM: ALFONSO MANRIQUE, PE
AM CONSULTING ENGINEERS, INC.
SUBJECT: PROJECT PROGRESS UPDATE
DATE: JUNE 8, 2022

This Engineer's Report provides an update on the progress made on the various projects since April 27, 2022, that Staff is currently working on:

1. American Rescue Plan

a. City Hall Front Office and Flooring Remodel

During the preparation of this report, Burke Construction was nearing completion of the improvements to the front office and flooring throughout City Hall and on schedule to complete the project by June 3rd. No major issues were encountered during the construction of this project.

2. Victor P. Lopez Community Center Repairs

The roofing and plumbing contractors are nearing completion of their work. Cartozian Air Conditioning and Heating has stated that the second HVAC system will be available either mid-June or beginning of July. Staff estimates that all repairs will be complete sometime in mid July.

3. 2021 Small Community Drought Relief Program

The counter offer has been submitted to the seller and escrow has opened. The construction documents for the test well are currently out to bid and the bid opening has been scheduled for June 28th. Staff will present the bid results and recommend the project award at the July 13th Council meeting.

4. Storm Water Master Plan

Staff will be revising the Stormwater Master Plan to provide acreage designated for commercial development. Once the revisions are complete, staff will present the Master Plan for City Council's approval.

5. Clean California Grant

A Restricted Grant Agreement and supporting documentation will need to be submitted to Caltrans before cost can be reimbursed. The City Council must adopt a Resolution authorizing the Interim City Manager to execute agreements with Caltrans for the Renovation of Sheridan Park and Orange Cove Welcome Signs. Staff is recommending that Council adopt this Resolution at tonight's meeting.


6. SB 1 Annual Project List

For FY 2022-23, the City's allocation for the Road Maintenance and Rehabilitation Account (RMRA) is estimated to be \$212,163. To receive funding, the City must adopt a Resolution designating a SB 1 Project list for FY 2022-22. Projects that are eligible are include road maintenance and rehabilitation, safety projects, active transportation, pedestrian and bicycle safety projects and traffic control devices. The Resolution is due by July 1st, so staff is recommending that Council adopt the R at tonight's meeting.



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Adopt Resolution Authorizing the Interim City Manager to Execute Agreements with the California Department of Transportation for the Renovation of Sheridan Park and Orange Cove Welcome Signs (Clean California Grant)

Attachments: Resolution No. 2022- 32

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution authorizing the Interim City Manager to execute agreements with the California Department of Transportation (Caltrans) for the Clean California Grant Project, which includes renovating Sheridan Park and the Park Boulevard Monuments.

BACKGROUND:

On March 1, 2022, Governor Gavin Newsom announced that the City of Orange Cove would receive \$2,525,000 from the Clean California Grant for the Renovation of Sheridan Park and Orange Cove Welcome Signs. Sheridan Park will be updated by renovating existing amenities and constructing new recreation features that will improve access to quality outdoor activities. Park renovations will enhance the health of the community, while providing residents with a public space to practice their culture as groups or families. The Project will construct a playground structure, swing sets, and walking path that meet ADA requirements. The Project will also renovate the existing bathrooms and install new drinking fountains, tables, shade structures, lights, landscaping, and other park features. A mural depicting the history and cultural of the City will be painted on the Park's existing entertainment stage. The City's two welcome signs along

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: _____

Park Boulevard will be updated with new paint, landscaping, lighting, and an electrical board to display messages to residents.

A Restricted Grant Agreement must be executed with the California Department of Transportation (Caltrans) before funds can be claimed through the Clean California Local Grant Program. Prior to the execution of such Agreement, the City must adopt a Resolution authorizing the Interim City Manager as the City's designated representative permitted to sign the Restricted Grant Agreement and any amendments thereto.

FISCAL IMPACT:

There is no fiscal impact associated with adopting the attached Resolution.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2022- **32**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AGREEMENTS WITH
THE CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE RENOVATION OF
SHERIDAN PARK AND ORANGE COVE WELCOME SIGNS

WHEREAS, the City Council of the City of Orange Cove is eligible to receive State funding for certain transportation related work through the California Department of Transportation; and

WHEREAS, a Restricted Grant Agreement is needed to be executed with the California Department of Transportation before such funds can be claimed through the Clean California Local Grant Program; and

WHEREAS, the City of Orange Cove wishes to delegate authorization to execute these agreements and any amendments thereto.

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 of the City of Orange Cove authorizes the Interim City Manager, or designee, to execute all Restricted Grant Agreements and any amendments thereto with the California Department of Transportation.
3. 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 June 8, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:


Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council
From: Alfonso Manrique, City Engineer 
Subject: Adopt Resolution Designating a Project List for Fiscal Year 2022-2023 Funded by SB 1 the Road Repair and Accountability Act
Attachments: Resolution No. 2022- 33

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution designating a Project List for Fiscal Year 2022-2023 Funded by Senate Bill 1 (SB 1) the Road Repair and Accountability Act of 2017.

BACKGROUND:

In April 2017, the California State legislature passed SB1, the Road Repair and Accountability Act of 2017, providing \$54 billion statewide over the next decade for transportation infrastructure improvements. Cities and counties are expected to receive \$1.5 billion annual once revenues from SB1 are fully realized.

Beginning November 1, 2018, the State Controller began depositing this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new RMRA funding is being apportioned by formula to eligible cities and counties pursuant to Streets and highways Code (SHC) Section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local streets and road system.

For FY 2022-23, the City's allocation is estimated to be \$212,163.00. To receive funding, the City must submit a list of projects proposed to receive funding, and have that funding included in the budget. Additionally, the City must report annually how the funds have been spent to the California

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: _____

Transportation Commission.

This is the 6th year in which the City is receiving SB 1 funding. Staff is proposing to designate the "Citywide Street Sweeper Program Annual Operation and Maintenance" and the "G Street Pedestrian Sidewalk and Curb and Gutter Project" as the projects to receive SB1 funding for FY 2022-2022. For the Citywide Street Sweeper Program Annual Operation and Maintenance, the City will use SB 1 funding to cover the operator's annual salary, gas, and annual maintenance cost for the street sweeper. For the G Street Pedestrian Sidewalk and Curb and Gutter Project, the City will use SB 1 funding for the construction of pedestrian sidewalk, concrete curb and gutter, driveway approaches, and an ADA curb ramp along the north side of G Street between 6th Street and 5th Street.

FISCAL IMPACT:

There is no fiscal impact associated with the adoption of the attached Resolution.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2022- 33

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE ADOPTING
A LIST OF PROJECTS FOR FISCAL YEAR 2022-23 FUNDED BY SB 1 THE ROAD
REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Orange Cove are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City will receive an estimated \$212,163.00 in RMRA funding in Fiscal Year 2022-23 from SB 1; and

WHEREAS, this this is the sixth year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City Council wishes to include two projects in the Fiscal Year 2022-23 City of Orange Cove Budget to utilize SB 1 funds; and

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 following proposed project list will be funded in-part or solely with FY 2022-23 Road Maintenance and Rehabilitation Account revenues:

| Description | Location | Estimated Useful Life | Anticipated Project Schedule | Estimated Cost |
|--|---|-----------------------|------------------------------|----------------|
| Citywide Street Sweeper Program Annual Operation and Maintenance | Citywide | 1 year | July 2022 to June 2023 | \$80,000.00 |
| G Street Pedestrian Sidewalk and Curb and Gutter Project | North side of G Street, from 6 th St to 5 th St | 20 years | July 2022 to June 2023 | \$132,163.00 |

3. The revenue and expenditure for the project shall be included in the City of Orange Cove Budget for Fiscal Year 2022-23.
4. 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.

5. 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 June 8, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor


ATTEST:

June Bracamontes, City Clerk



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Adopt Resolution Authorizing the Interim City Manager to Submit a Loan Application to the Rural Community Assistance Corporation for the Development of the Orange Cove Energy Efficiency Project

Attachments: Resolution No. 2022- 34

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution authorizing the submission of a loan application, the incurring of an indebtedness, the execution of a loan agreement and any other documents necessary to secure a loan from the Rural Community Assistance Corporation (RCAC) for the development of the Orange Cove Energy Efficiency Project. Additionally, Staff recommends that City Council authorize the Interim City Manager submit a loan application and the loan agreement, promissory note, security, and other instruments, and any and all documentation for the disbursement of funds required by RCAC to secure the loan and any amendments that may be required.

BACKGROUND:

On January 26, 2022, the City Council approved a Construction Agreement and Operation and Maintenance Agreement with SitelogIQ for the development of the Orange Cove Energy Efficiency Project (Project). The Project includes the construction of a solar system at the Wastewater Treatment Plant and upgrading the lighting at the Community Center, Police Department, Fire Department, City Hall, Senior Center, and the Julia A. Lopez Child Development Center. The final project cost of \$2,228,616 will be funded by the California Energy Commission, Energy Conservation Assistance Act One Percent Loan Program (CEC ECAA Loan), which would

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: _____

result in a net 30-year savings of approximately \$7,474,874.

The City will be financing the Project through a loan from the California Energy Commission. The loan will reimburse the City for costs incurred in the construction of the Project. Receiving reimbursement payments from California Energy Commission may take between 60 and 90 day receive; however payments to the contractor will be required within 30 days. For this reason, the City will require temporary or bridge loan financing to cover the costs of the Project until the City can receive reimbursement from the California Energy Commission. Staff has determined that a loan from the Rural Community Assistance Corporation (the "RCAC") which is authorized to make loans for housing, environmental infrastructure and community facilities for low-income people is the preferred option to finance the upfront cost of the Project.

FISCAL IMPACT:

Staff anticipates that the City will need to secure a loan of \$1 Million from RCAC. The initial payment to establish this line of credit will be \$15,000 and the City will be charged approximately 5 percent in interest on the loan payments.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2022-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AUTHORIZING THE SUBMISSION OF A LOAN APPLICATION, THE INCURRING OF
AN INDEBTEDNESS, THE EXECUTION OF A LOAN AGREEMENT AND ANY OTHER
DOCUMENTS NECESSARY TO SECURE A LOAN FROM THE RURAL COMMUNITY
ASSISTANCE CORPORATION.

WHEREAS, the City of Orange Cove (hereinafter referred to as "Corporation") is a corporate entity established under the laws of the State of California and empowered to own property, borrow money and give security for loans; and

WHEREAS, Rural Community Assistance Corporation (hereinafter referred to as "RCAC") is authorized to make loans for housing, environmental infrastructure and community facilities for low-income people; and

WHEREAS, the Corporation wishes to obtain from RCAC a loan for the development of the Orange Cove Energy Efficiency Project (hereinafter referred to as "Project") on the property located at the Orange Cove Wastewater Treatment Plant.

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 Corporation shall submit to RCAC an application for a loan for the Project to be developed in the County of Fresno in the State of California.
3. If the loan is approved, the Corporation is hereby authorized to incur indebtedness in an amount not to exceed the amount approved by RCAC and to enter into a loan agreement with RCAC for the purposes set forth in loan application and approved by RCAC. It also may give a promissory note and execute security and other instruments required by RCAC to evidence and secure the indebtedness.
4. The Corporation authorized the Interim City Manager to execute in the name of the Corporation, the loan application and the loan agreement, promissory note, security and other instruments, and any and all documentation for the disbursement of funds required by RCAC to make and secure the loan and any amendments thereto.
5. The Corporation authorized the Interim City Manager to execute in the name of the Corporation, only that documentation required by RCAC for the disbursement of funds during the term of the loan.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on June 8, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor


ATTEST:

June Bracamontes, City Clerk



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Resolution Authorizing the Interim City Manager to Execute the Program Supplement No. 00000A011 to Administering Agency-State Agreement for the State Funded Project No. 06-5301S21 and Authorize the Interim City Manager to Act on Behalf of the City of Orange Cove

Attachments: Resolution No. ~~2021~~²⁰²²⁻³⁵-
Program Supplement No. 00000A011

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution authorizing the Interim City Manager to Execute the Program Supplement No. 00000A011 to Administering Agency-State Agreement No. for State Funded Project No. 06-5301S21 for the ATP Pedestrian Sidewalk and Bike Path Project, and to authorize the Interim City Manager to act on behalf of the City of Orange Cove.

BACKGROUND:

In 2021, the City received funds through the Active Transportation Program (ATP) for the Pedestrian Sidewalk and Bike Path (Project). The Project includes the construction of approximately 7,945 linear feet of Class II bike lanes and 3,100 linear feet of pedestrian sidewalk. The City has received the Authorization to proceed with Project Approval and Environmental Document (PA&ED) stage and Caltrans has sent the Program Supplemental Agreement No. 00000A011 for execution.

The State of California, acting through Caltrans, is administering the ATP funds. These funds will

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: _____

be paid to the City of Orange Cove pursuant to the provisions of the Administering Agency-State Agreement for State Funded Project No. 06-5301S21. To receive funds for the Project, the City must execute a supplemental agreement that identifies the specific project and any special conditions. The State requires that the City adopt a Resolution that clearly identifies the Project and the official authorized to execute the agreement.

The attached Resolution authorizes the Interim City Manager to execute Program Supplement Agreement No. 00000A011 and to act on behalf of the City of Orange Cove. Adoption of the Resolution will allow the City to invoice expenses for the environmental document phase of the Project.

FISCAL IMPACT:

The project is funded by State ATP funds. The total estimated cost for the environmental document phase of the Project is \$25,000.00. Adoption of the proposed resolution secures \$25,000.00 in State funds. No local match is required.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2021- 35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE PROGRAM
SUPPLEMENT NO. 00000A011 TO ADMINISTERING AGENCY-STATE AGREEMENT
FOR THE STATE FUNDED PROJECT NO. 06-5301S21 AND AUTHORIZE THE INTERIM
CITY MANAGER TO ACT ON BEHALF OF THE CITY OF ORANGE COVE

WHEREAS, the City of Orange Cove, has received a request from the Department of Transportation to enter into a Program Supplemental Agreement No. 00000A011 to Administering Agency-State Agreement No. for State Funded Project No. 06-5301S21; and

WHEREAS, the City Council does hereby accept and will comply with the special covenants or remarks set forth in the agreement; and

WHEREAS, the City Council authorizes the Interim City Manager to execute Program Supplemental Agreement No. 00000A011 and to act on behalf of the City of Orange Cove.

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 Interim City Manager is hereby authorized and directed to execute Program Supplemental Agreement No. 00000A011 and to act on behalf of the City of Orange Cove.
3. 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.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on June 8, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk

PROGRAM SUPPLEMENT NO. 00000A011
to
ADMINISTERING AGENCY-STATE AGREEMENT
FOR STATE FUNDED PROJECTS NO 06-5301S21

Adv. Project ID
0622000075

Date: April 14, 2022
Location: 06-FRE-0-ORCV
Project Number: ATPSB1L-5301(025)
E.A. Number:
Locode: 5301

This Program Supplement, effective 03/16/2022, hereby adopts and incorporates into the Administering Agency-State Agreement No. 06-5301S21 for State Funded Projects which was entered into between the ADMINISTERING AGENCY and the STATE with an effective date of and is subject to all the terms and conditions thereof. This PROGRAM SUPPLEMENT is executed in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. approved by the ADMINISTERING AGENCY on (See copy attached).

The ADMINISTERING AGENCY further stipulates that as a condition to the payment by the State of any funds derived from sources noted below encumbered to this project, Administering Agency accepts and will comply with the Special Covenants and remarks set forth on the following pages.

PROJECT LOCATION: This project will construct Class II bike lanes, additional sidewalks and make ADA compliant improvements at the intersection of E & 4th Str

TYPE OF WORK: Pedestrian and Bike Path

LENGTH: 0.0(MILES)

| Estimated Cost | State Funds | Matching Funds | | |
|----------------|-------------|----------------|--|--------|
| | STATE | LOCAL | | OTHER |
| \$25,000.00 | \$25,000.00 | \$0.00 | | \$0.00 |

CITY OF ORANGE COVE

STATE OF CALIFORNIA
Department of Transportation

By _____

By _____

Title _____

Chief, Office of Project Implementation
Division of Local Assistance

Date _____

Attest _____

Date _____

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officer



Date 04/15/2022

\$25,000.00

SPECIAL COVENANTS OR REMARKS

1. A. This PROJECT will be administered in accordance with the applicable CTC STIP guidelines and the Active Transportation Program guidelines as adopted or amended, the Local Assistance Procedures Manual (LAPM), the Local Assistance Program Guidelines (LAPG), and this PROGRAM SUPPLEMENT.

B. This PROJECT is programmed to receive State funds from the Active Transportation Program (ATP). Funding may be provided under one or more components. A component(s) specific fund allocation is required, in addition to other requirements, before reimbursable work can occur for the component(s) identified. Each allocation will be assigned an effective date and identify the amount of funds allocated per component(s).

This PROGRAM SUPPLEMENT has been prepared to allow reimbursement of eligible PROJECT expenditures for the component(s) allocated. Unless otherwise determined, the effective date of the component specific allocation will constitute the start of reimbursable expenditures.

C. STATE and ADMINISTERING AGENCY agree that any additional funds made available by future allocations will be encumbered on this PROJECT by use of a STATE-approved Allocation Letter and STATE Finance Letter. ADMINISTERING AGENCY agrees that STATE funds available for reimbursement will be limited to the amount allocated by the California Transportation Commission (CTC) and/or the STATE.

D. Upon ADMINISTERING AGENCY request, the CTC and/or STATE may approve supplementary allocations, time extensions, and fund transfers between components. Funds transferred between allocated project components retain their original timely use of funds deadlines, but an approved time extension will revise the timely use of funds criteria for the component(s) and allocation(s) requested. Approved supplementary allocations, time extensions, and fund transfers between components made after the execution of this PROGRAM SUPPLEMENT will be documented and considered subject to the terms and conditions thereof.

Documentation will consist of a STATE approved Allocation Letter, Fund Transfer Letter, Time Extension Letter, and Finance Letter, as appropriate.

E. This PROJECT is subject to the timely use of funds provisions enacted by the Active Transportation Program guidelines, as adopted or amended, and by approved CTC and State procedures as outlined below.

Funds allocated for the environmental & permits (E&P), plan specifications & estimate (PS&E), and right-of-way components are available for expenditure until the end of the second fiscal year following the year in which the funds were allocated.

SPECIAL COVENANTS OR REMARKS

Funds allocated for the construction component are subject to an award deadline and contract completion deadline. ADMINISTERING AGENCY agrees to award the contract within 6 months of the construction fund allocation and to complete and accept the construction within 36 months of award.

F. Award information shall be submitted by the ADMINISTERING AGENCY to the District Local Assistance Engineer immediately after project contract award and prior to the submittal of the ADMINISTERING AGENCY'S first invoice for the construction contract. Failure to do so will cause a delay in the State processing of invoices for the construction phase.

G. The ADMINISTERING AGENCY shall invoice STATE for environmental & permits (E&P), plans specifications & estimate (PS&E), and right-of-way costs no later than 180 days after the end of last eligible fiscal year of expenditure. For construction costs, the ADMINISTERING AGENCY has 180 days after project completion or contract acceptance to make the final payment to the contractor prepare the final Report of Expenditures and final invoice, and submit to STATE for verification and payment.

H. ADMINISTERING AGENCY agrees to submit the final report documents that collectively constitute a "Report of Expenditures" within one hundred eighty (180) days of PROJECT completion. Failure of ADMINISTERING AGENCY to submit a "Final Report of Expenditures" within 180 days of PROJECT completion will result in STATE imposing sanctions upon ADMINISTERING AGENCY in accordance with the current LAPM and the Active Transportation Program (ATP) Guidelines.

I. ADMINISTERING AGENCY indirect costs, as defined in 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, to be claimed must be allocated in accordance with an Indirect Cost Allocation Plan (ICAP), submitted, reviewed, and approved in accordance with Caltrans Audits and Investigations requirements which may be accessed at: www.dot.ca.gov/hq/audits/.

ADMINISTERING AGENCY agrees to comply with, and require all sub-recipients and project sponsors to comply with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards, and all applicable Federal and State laws and regulations.

ADMINISTERING AGENCY agrees, and will assure that its contractors and subcontractors will be obligated to agree, that Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., and all applicable Federal and State laws and regulations, shall be used to determine the allowability of individual PROJECT cost items.

Any Fund expenditures for costs for which ADMINISTERING AGENCY has received

SPECIAL COVENANTS OR REMARKS

payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, or 48 CFR, Chapter 1, Part 3, are subject to repayment by ADMINISTERING AGENCY to STATE. Should ADMINISTERING AGENCY fail to reimburse Funds due STATE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, STATE is authorized to intercept and withhold future payments due ADMINISTERING AGENCY from STATE or any third-party source, including, but not limited to, the State Treasurer, the State Controller, and the California Transportation Commission.

J. By executing this PROGRAM SUPPLEMENT, ADMINISTERING AGENCY agrees to comply with all reporting requirements in accordance with the Active Transportation Program guidelines, as adopted or amended.


K. This PROJECT has received funds from Active Transportation Program (ATP). The ADMINISTERING AGENCY agrees to administer the project in accordance with the CTC Adopted SB1 Accountability and Transparency Guidelines.

2. The ADMINISTERING AGENCY shall construct the PROJECT in accordance with the scope of work presented in the application and approved by the California Transportation Commission. Any changes to the approved PROJECT scope without the prior expressed approval of the California Transportation Commission are ineligible for reimbursement and may result in the entire PROJECT becoming ineligible for reimbursement.



CITY OF ORANGE COVE REPORT TO THE CITY COUNCIL

To: Orange Cove City Council

From: Alfonso Manrique, City Engineer 

Subject: Adopt Resolution Authorizing the Interim City Manager to Submit a Loan Application to the Rural Community Assistance Corporation for the Development of the Orange Cove Energy Efficiency Project

Attachments: Resolution No. 2022- 31

RECOMMENDATION:

Staff recommends that City Council adopt the attached Resolution authorizing the submission of a loan application, the incurring of an indebtedness, the execution of a loan agreement and any other documents necessary to secure a loan from the Rural Community Assistance Corporation (RCAC) for the development of the Orange Cove Energy Efficiency Project. Additionally, Staff recommends that City Council authorize the Interim City Manager submit a loan application and the loan agreement, promissory note, security, and other instruments, and any and all documentation for the disbursement of funds required by RCAC to secure the loan and any amendments that may be required.

BACKGROUND:

On January 26, 2022, the City Council approved a Construction Agreement and Operation and Maintenance Agreement with SitelogIQ for the development of the Orange Cove Energy Efficiency Project (Project). The Project includes the construction of a solar system at the Wastewater Treatment Plant and upgrading the lighting at the Community Center, Police Department, Fire Department, City Hall, Senior Center, and the Julia A. Lopez Child Development Center. The final project cost of \$2,228,616 will be funded by the California Energy Commission, Energy Conservation Assistance Act One Percent Loan Program (CEC ECAA Loan), which would

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: _____

result in a net 30-year savings of approximately \$7,474,874.

The City will be financing the Project through a loan from the California Energy Commission. The loan will reimburse the City for costs incurred in the construction of the Project. Receiving reimbursement payments from California Energy Commission may take between 60 and 90 day receive; however payments to the contractor will be required within 30 days. For this reason, the City will require temporary or bridge loan financing to cover the costs of the Project until the City can receive reimbursement from the California Energy Commission. Staff has determined that a loan from the Rural Community Assistance Corporation (the "RCAC") which is authorized to make loans for housing, environmental infrastructure and community facilities for low-income people is the preferred option to finance the upfront cost of the Project.

FISCAL IMPACT:

Staff anticipates that the City will need to secure a loan of \$1 Million from RCAC. The initial payment to establish this line of credit will be \$15,000 and the City will be charged approximately 5 percent in interest on the loan payments.

CONFLICT OF INTEREST:

None.

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE COVE
AUTHORIZING THE SUBMISSION OF A LOAN APPLICATION, THE INCURRING OF
AN INDEBTEDNESS, THE EXECUTION OF A LOAN AGREEMENT AND ANY OTHER
DOCUMENTS NECESSARY TO SECURE A LOAN FROM THE RURAL COMMUNITY
ASSISTANCE CORPORATION.

WHEREAS, the City of Orange Cove (hereinafter referred to as "Corporation") is a corporate entity established under the laws of the State of California and empowered to own property, borrow money and give security for loans; and

WHEREAS, Rural Community Assistance Corporation (hereinafter referred to as "RCAC") is authorized to make loans for housing, environmental infrastructure and community facilities for low-income people; and

WHEREAS, the Corporation wishes to obtain from RCAC a loan for the development of the Orange Cove Energy Efficiency Project (hereinafter referred to as "Project") on the property located at the Orange Cove Wastewater Treatment Plant.

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 Corporation shall submit to RCAC an application for a loan for the Project to be developed in the County of Fresno in the State of California.
3. If the loan is approved, the Corporation is hereby authorized to incur indebtedness in an amount not to exceed the amount approved by RCAC and to enter into a loan agreement with RCAC for the purposes set forth in loan application and approved by RCAC. It also may give a promissory note and execute security and other instruments required by RCAC to evidence and secure the indebtedness.
4. The Corporation authorized the Interim City Manager to execute in the name of the Corporation, the loan application and the loan agreement, promissory note, security and other instruments, and any and all documentation for the disbursement of funds required by RCAC to make and secure the loan and any amendments thereto.
5. The Corporation authorized the Interim City Manager to execute in the name of the Corporation, only that documentation required by RCAC for the disbursement of funds during the term of the loan.

This resolution was adopted at a Regular Meeting of the City Council of the City of Orange Cove held on June 8, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Victor P. Lopez, Mayor

ATTEST:

June Bracamontes, City Clerk



Meeting Date: June 8, 2022

Agenda Item:

City Council Meeting

REPORT TO: Orange Cove City Council

REPORT FROM: Shun Patlan, Planner

REVIEWED BY: _____

AGENDA ITEM: Approve Request for Temporary Septic System

ACTION REQUESTED: ☐ Ordinance ☐ Resolution ☒ Motion ☐ Receive/File

RECOMMENDED ACTION BY PLANNING COMMISSION

1. Approve Request for Approval of an Onsite Temporary Engineered Septic System at Booth Ranch 440 Ancho Avenue with recommended "Conditions of Approval" on Exhibit "A"

EXECUTIVE SUMMARY

The owner(s) of Booth Ranch are seeking approval to install a small engineered Septic tank at 440 Anchor Avenue to provide sewer service to the existing truck wash station located at the northeast corner of the property.

This approval is being requested because there are no existing sewer mains located on Anchor Avenue and Railroad Avenue to tie into. The closest city sewer main is on Park Boulevard some 1,000 plus feet away from the truck wash.

Orange Cove Municipal Code, Section 13.08.080 requires any premises within the city limits of the city (a) on which the outlet of the plumbing system of such premises is located within two hundred feet from the point at which a connection can be made to the municipal sewer system. The truck wash building is located approximately 1,000 feet from the city main sewer line on Park Boulevard. Section 13.08.080 also requires any premises to connect to the city main when a city main is installed within two hundred feet within sixty days at the owner's expense.

Prepared by: _____

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: _____

Exhibit "A"
Booth Ranch Septic System
Conditions of Approval

1. Owner/applicant shall submit an engineered septic system plan for city review and approval.
2. Owner shall obtain all necessary building permits and inspection approval.
3. Septic System is to provide sewer service to the Truck Wash Building only.
4. Installation of the small septic system is approval temporarily.
5. Owner will be required to connect to the city main service line when it is available and within two hundred feet from building within sixty days. All connection cost shall be at the expense of by the owner.



May 17, 2022

Shun Patlan
City of Orange Cove
Building Department
633 Sixth Street
Orange Cove, CA 93646

**RE: Request for approval of Onsite Engineered Septic System
At Booth Ranches 440 Anchor Ave., Orange Cove property**

Dear Mr. Patlan,

Please accept this letter as a formal request for your consideration in allowing us to install a small onsite engineered septic system adjacent to our truck wash building located at the northeast corner of our property. As Frank Flores from DBKO, the general contractor for our expansion project, mentions in his Aug. 31, 2021 email to you (copy attached), we spent considerable time evaluating our site sewer service options. As you know, unfortunately the 8" sewer lateral that services our property from Park Ave. did not extend as far north as we would hoped. Our existing truck drenching building serves numerous trucks throughout the day during our peak citrus season and our staff in that building and truck drivers currently must use portable toilets, because the restroom in that building could never be put into service, due to the lack of not having sewer service in Anchor Ave. We have done further cost analysis and installing another lift station to pump sewer drainage from the truck wash restroom would be more costly than installing a small-engineered septic system adjacent to the truck wash building. If this request is granted, we would install a fully engineered septic system, with plans to submit to the city engineer for review.

Thank you in advance for your consideration in this matter and please contact me if you need further information.

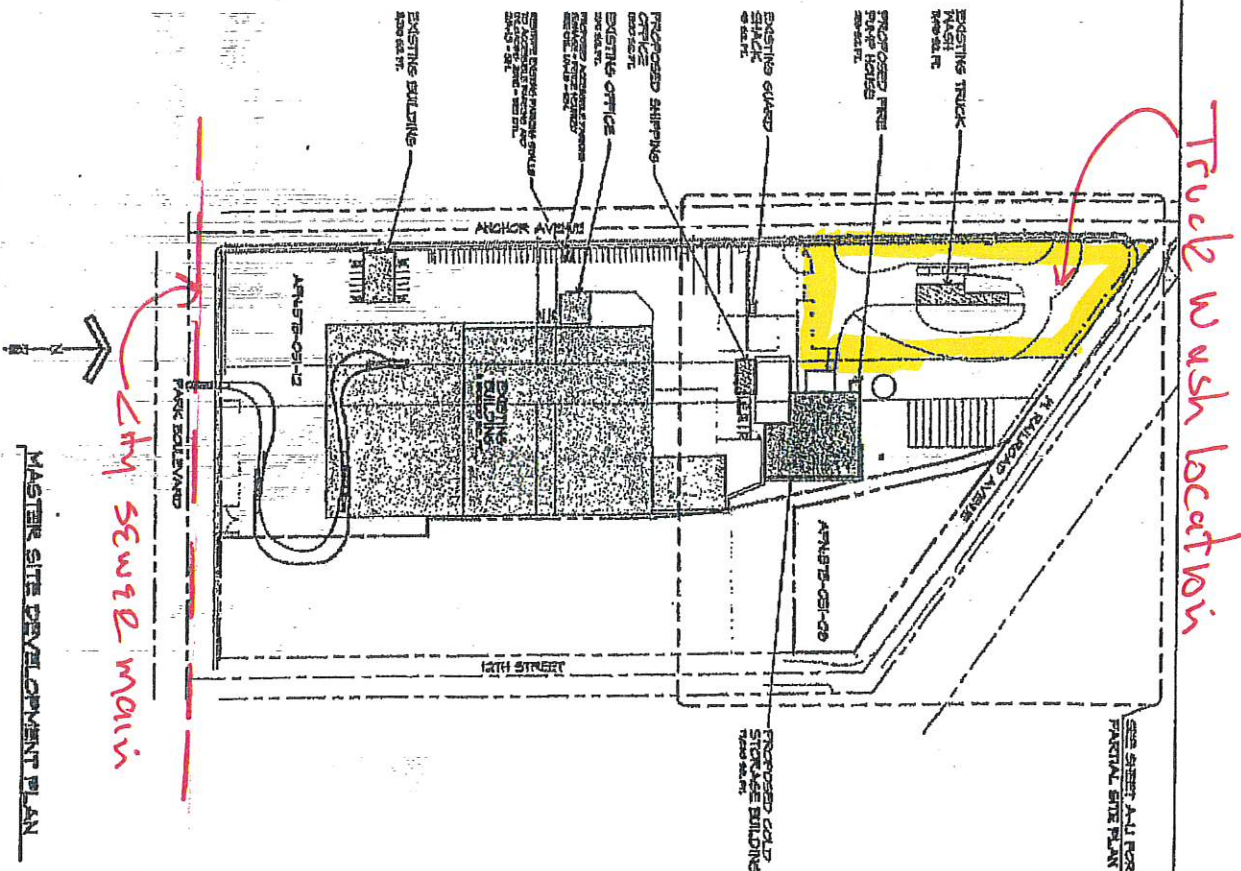
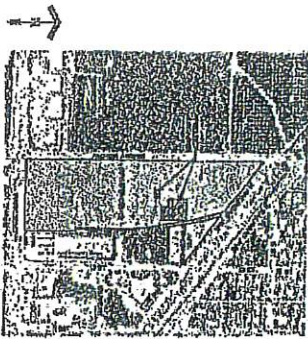
Sincerely,

David R Smith, General Manager
Booth Ranches
12201 Ave. 480
Orange Cove, CA 93646

Master Site Plan Review

[illegible]

MEANING ALSO



MASTER SITE DEVELOPMENT PLAN

MASTER SITE DEVELOPMENT PLAN
FOOTH RANCHES PLANT #2 EXPANSION
440 ANCHOR AVENUE
ORANGE COVE, CA 93648

A

Gayle

DEKO
 1-800-451-1111
 10000 W. 10th Ave. Suite 100
 Denver, CO 80231
 303-751-1111

POLICE DEPARTMENT MONTHLY REPORT

June 8, 2022

Staff levels..... Department is at full staff.

Animal Shelter.....Is running very well. See attached report.

Events: None scheduled at this time.

Grants

Tobacco Grant will end at the end of June.

COPS hiring grant Being worked on.

Vehicles ..Currently no orders for police vehicles are being taken. We will be asking for one animal control vehicle and three patrol cars in the next budget. We hope to have OCPPD assist in the purchase.

Body Cams/Tasers Officers have been trained and issued new body cams and new tasers.

MOUs

SRO Contract with KCUSD . We met with KCUSD Superintendent John Campbell obtained a substantial increase to the MOU that will run from 2022 to 2025. They need the contract prior to June 14, 2022.

- 22/23 School Year, KCUSD agrees to fund 2 SROs at \$72,331 per SRO.
- 23/24 School Year, KCUSD agrees to fund 2 SRO's and will increase funding by 5% to increase SRO compensation to \$75,947.55 per SRO.
- 24/25 School Year, KCUSD agrees to fund 2 SRO's and will increase funding by 5% to increase SRO compensation to \$79,744.93 per SRO

Military Equipment Policy 706 and Ordinance. Needs to be approved. City Attorney will make the presentation.

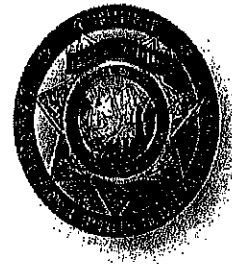
Shooting Range See memo



ORANGE COVE POLICE DEPARTMENT

MAY 2022 MONTHLY STATISTICS

CHIEF OF POLICE - MARTY RIVERA



| PART 1 CRIMES | | | | | | |
|------------------------------|-------|------|--------|------|------|--|
| | APRIL | MAY | % | YTD | YTD | |
| | 2022 | 2022 | Change | 2021 | 2022 | |
| Homicide | 0 | 0 | 0% | 0 | 1 | |
| Rape | 0 | 0 | 0% | 0 | 0 | |
| Attempted Murder | 0 | 0 | 0% | 1 | 1 | |
| Robbery | 0 | 0 | 0% | 0 | 1 | |
| Assault | 0 | 1 | 100% | 3 | 5 | |
| Burglary | 1 | 0 | -100% | 8 | 7 | |
| Grand Theft Auto | 1 | 4 | 300% | 5 | 15 | |
| Total Part 1 Crimes | 2 | 5 | 150% | 17 | 30 | |
| PART 2 CRIMES | | | | | | |
| | APRIL | MAY | % | YTD | YTD | |
| | 2022 | 2022 | Change | 2021 | 2022 | |
| Sex Crimes | 0 | 1 | 100% | 5 | 7 | |
| Narcotics | 5 | 2 | -60% | 13 | 18 | |
| Child Abuse | 0 | 2 | 200% | 2 | 3 | |
| Total Part 2 Crimes | 5 | 5 | 0% | 20 | 28 | |
| TRAFFIC COLLISIONS | | | | | | |
| | APRIL | MAY | % | YTD | YTD | |
| | 2022 | 2022 | Change | 2021 | 2022 | |
| Total Traffic Collisions | 4 | 6 | 50% | 16 | 23 | |
| Fatalities | 0 | 0 | 0% | 0 | 0 | |
| Injury | 0 | 1 | 100% | 0 | 4 | |
| Non Injury | 2 | 5 | 150% | 8 | 13 | |
| Hit & Run | 2 | 0 | -100% | 8 | 6 | |
| ENFORCEMENT STATISTICS | | | | | | |
| | APRIL | MAY | % | YTD | YTD | |
| | 2022 | 2022 | Change | 2021 | 2022 | |
| Total Traffic Citations | 24 | 14 | -42% | 117 | 78 | |
| Total Vehicle Stops | 133 | 133 | 0% | 441 | 491 | |
| Seatbelt Violations | 1 | 1 | 0% | 6 | 3 | |
| Unsafe Speed Violations | 1 | 1 | 0% | 8 | 4 | |
| Fail To Obey Stop Sign/Light | 1 | 4 | 300% | 26 | 10 | |
| Driving Under the Influence | 2 | 1 | -50% | 10 | 7 | |
| Gang Arrests - Felony | 0 | 0 | 0% | 0 | 0 | |
| Gang Arrests - Misdemeanor | 0 | 0 | 0% | 0 | 0 | |
| Gang Field Interview Cards | 4 | 3 | -25% | 16 | 14 | |
| Juvenile Detentions/Arrests | 0 | 0 | 0% | 3 | 3 | |
| Adult Arrests | 12 | 10 | -17% | 52 | 62 | |

| | APRIL | MAY | % | YTD | YTD |
|-----------------------------|-------|------|--------|------|------|
| | 2022 | 2022 | Change | 2021 | 2022 |
| 5150 | 10 | 6 | -40% | 22 | 36 |
| Agency Assist | 6 | 10 | 67% | 40 | 39 |
| Battery | 2 | 1 | -50% | 7 | 7 |
| Evading/Obstructing Officer | 1 | 1 | 0% | 4 | 4 |
| Fraud | 0 | 0 | 0% | 1 | 0 |
| Identity Theft | 0 | 0 | 0% | 2 | 0 |
| Spousal Abuse | 3 | 5 | 67% | 19 | 23 |
| Graffiti/Vandalism | 5 | 4 | -20% | 14 | 20 |
| Veh. Burglaries | 0 | 0 | 0% | 1 | 2 |
| General Incidents | 17 | 21 | 24% | 73 | 82 |
| Weapons Confiscated | 1 | 0 | -100% | 2 | 7 |
| Petty Theft | 3 | 1 | -67% | 15 | 13 |
| Public Intoxication | 2 | 1 | -50% | 4 | 7 |
| Suspended License | 3 | 1 | -67% | 8 | 7 |
| Unlicensed Drivers | 4 | 5 | 25% | 38 | 29 |
| Vehicles Towed | 13 | 7 | -46% | 52 | 47 |
| Vehicles Released | 7 | 1 | -86% | 27 | 20 |
| Case Number Drawn | 140 | 124 | -11% | 600 | 645 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



Marty Rivera
Chief of Police

ORANGE COVE ANIMAL CONTROL STATISTICAL ACTIVITY REPORT

MONTH: MAY

OFFICER: R. DIAZ

| | |
|--------------------------------------|-----------------------------------|
| BITE REPORTS | 1 Dog V. Pedestrian/ 1 Dog V. Dog |
| PRIOR MONTH STRAYS | 3 from May |
| STRAY DOGS | 22 Picked up in May |
| EUTHANIZED DOGS | 0 in May |
| ADOPTED DOGS | 1 Husky |
| RESCUED DOGS | 13 in May |
| INJURED STRAY DOGS | |
| ANIMAL CRUELTY INVESTIGATIONS | 1 |
| RELEASED DOGS TO OWNER | 6 |
| CITATIONS ISSUED | |
| QUARANTINED DOGS | 1 in home quarantine |
| OTHER ANIMAL | |
| MISC | |
| DOGS IN SHELTER | 5 in shelter |

| | |
|--------------|--|
| NOTES | |
|--------------|--|



Date: June 8, 2022
To: Mayor and City Council
From: Rudy Hernandez, Interim City Manager
Subject: Resolution Authorizing Submittal of a 2022 Community Development Block Grant Application and Adoption and Approval of The Housing Rehabilitation Guidelines.

BACKGROUND:

A resolution is attached for your consideration which allows for the submittal of one application. CDBG Program regulations require that the City conduct a public hearing on all CDBG-related matters to provide for and encourage citizen participation, particularly by low- and moderate-income persons who reside in areas in which CDBG funds are used. Therefore, when the public hearing is opened, the public will be invited to comment on the City's proposed resubmittal of a 2022 CDBG Grant application, CDBG Program Income, and to make their comments known on the proposed activities.

A public notice was published in the May 27, 2022, issue of the Reedley Exponent notifying the public of this public hearing.

HCD released a NOFA announcing the availability of CDBG Program funds in April 2022. The City is preparing to apply and submit an application for a Housing Rehabilitation Program and a Public Service (Arvin Homeless Navigation Center).

Eligible activities available in the 2022 NOFA must benefit low- and moderate-income Californians and include: Housing Assistance Programs (Single-Family Homeownership Assistance, and Single-Family Housing Rehabilitation); Public Service programs, Planning Studies, Economic Development Business Assistance and Microenterprise activities. The city may apply for a maximum of \$1,500,000 for a maximum of three activities.

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:

The City proposes to apply for CDBG funds for Single-Family Housing Rehabilitation. Single-Family Housing Rehabilitation funds will be utilized to provide local homeowner with no-interest, forgivable loans or grants for home repairs related to health, safety, and code improvements.

Single-Family Housing Rehabilitation –

\$ 500,000

As a part of the Housing Rehabilitation Program, the City must have adopted program guidelines prior to submission of the application which outlines eligibility of the property owner, the property, allowable expenses, as well as the terms of the loans/grants. The draft guidelines have been provided as a part of this report and should be posted on the City's website to encourage citizen input.

When the Public Hearing is opened, citizens are encouraged to ask questions and/or comment on the proposed activities/application or on any aspect of the CDBG Program, as well as the Housing Rehabilitation Guidelines. Citizens are also invited to submit written comments to the City or to review information on the City's CDBG Program at Orange Cove City Council Chambers, 633 Sixth Street, Orange Cove, CA 93646. Write or contact June Bracamonte, City Clerk, at the same address.

RECOMMENDATION:

The City Council authorizes the submittal of one 2022 grant application 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 and the Housing Rehabilitation Guidelines to solicit citizen input. At the close of the public hearing, adopt resolutions 2022-36 and 2022-37 approving the submittal of the application and adopt the Housing Rehabilitation guidelines.

FISCAL IMPACT:

The cost for preparation of the CDBG application by Self-Help Enterprises is \$0.

Prepared by Rudy Hernandez

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 a Council Member

X Action Item

____ Other

____ Department Report

____ Continued to: _____

____ Redevelopment Agency

RESOLUTION NO.2022-36

**A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS
THERETO FROM THE 2022-2023 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 application in the aggregate amount, not to exceed, of \$1,000,000 for the following CDBG activities, pursuant to the April 2022 CDBG NOFA:

| | |
|------------------------|------------|
| Housing Rehabilitation | \$ 500,000 |
| Total | \$ 500,000 |

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.

SECTION 3:

The City acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

SECTION 4:

The City hereby authorizes and directs the City Manager, or designee*, 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 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 thereto with the State of California for the purposes of the grant.

Department of Housing and Community Development
Revised 10/15/21

2022 CDBG NOFA

SECTION 6:

If an application is approved, the City Manager, or designee, 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 _____ held on June 8, 2022 by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: _____
ABSENT: _____

NOES: _____
ABSTAIN: _____

Victor P.Lopez, Mayor

STATE OF CALIFORNIA
City of Avenal

I, June Bracamonte, City Clerk of the City of Orange Coe, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 8th day of June, 2022.

By: _____
June Bracamonte, City Clerk

RESOLUTION NO.2020-37

A RESOLUTION APPROVING THE ADOPTION OF THE CDBG SINGLE-FAMILY HOUSING REHABILITATION PROGRAM GUIDELINES

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 CDBG Single-Family Housing Rehabilitation Program Guidelines.

SECTION 2:

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

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Orange Cove held on May by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: _____
ABSENT: _____

NOES: _____
ABSTAIN: _____

Victor P.Lopez, Mayor

STATE OF CALIFORNIA
City of Orange Cove

I, June Bracamontes, City Clerk of the City of Orange Cove, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this XX day of June, 2022.

By: _____
June Bracamontes, City Clerk

Department of Housing and Community Development
Revised 10/15/21

2022 CDBG NOFA

City of Orange Cove

Owner-Occupied Housing Rehabilitation Program Guidelines



For:

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

Serving the City of Orange Cove

Version 2016.1
CalHome Pending Approval
CDBG Pending Approval
HOME Pending Approval

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

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 - 1.4. CONFLICT OF INTEREST REQUIREMENTS
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 - 2.3. HOMEOWNER ELIGIBILITY & RESIDENCY REQUIREMENTS
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- ATTACHMENT A-1: TITLE 25 SECTION 6914 GROSS INCOME INCLUSIONS AND EXCLUSIONS - FOR CALHOME
- ATTACHMENT B: ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS - FOR CDBG AND HOME
- ATTACHMENT C: MAXIMUM PURCHASE PRICE AFTER-REHAB VALUE LIMIT; HOME SUBSIDY LIMIT PER UNIT; CURRENT INCOME LIMITS; AND BEDROOM AND BATHROOM ADDITION STANDARDS
- ATTACHMENT D: MARKETING PLAN
- ATTACHMENT E: RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN
- ATTACHMENT F: LOAN SERVICING POLICIES AND PROCEDURES
- ATTACHMENT G: FORECLOSURE POLICY
- ATTACHMENT H: CERTIFICATION OF OCCUPANCY
- ATTACHMENT I: LEAD-BASED PAINT NOTICE OF PRESUMPTION AND HAZARD REDUCTION FORM
- ATTACHMENT J: SAMPLE TEST FOR RECONSTRUCTION FORM
- ATTACHMENT K: HOUSING REHABILITATION/RECONSTRUCTION PROGRAM CONTRACTOR GUIDELINES AND INFORMATION SHEET

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.

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, 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 job site regularly in order to check the scope of work, inspect materials, and to confirm the job 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 loan amount cannot be more than 100 percent of the Maximum After-Rehabilitation Value (**See Attachment C**). In addition, the amount of HOME assistance, including Activity Delivery Costs, cannot exceed the Sponsor's County maximum HOME Per Unit Subsidy Limit at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg>, 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 job. 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 job. 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 for HOME and CDBG Funded activities is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg> (use State CDBG and HOME) limits, and for CalHome-funded activities: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#state-2016> (use 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. 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.

The link to Annual Income Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

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

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.

For HOME and CDBG, the Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

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 I**).

- 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 Subsidy Limits Per Unit found at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg>. 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 for rehabilitation/reconstruction will not exceed \$60,000, which includes activity delivery.

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/financial-assistance/home-investment-partnerships-program/memo/Memo_13-01_for_OOR.doc, wherein the entire HOME assistance amount is granted rather than loaned, due to a lack of any after-rehabilitation value equity, based on existing loans on the property. **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/cdbg-home-income-limits.shtml>. See Attachment C.

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 limit 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 "Estimates 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 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 "Estimates of value" is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See **Attachment C**). If three comparable properties cannot be found, or if there is any question regarding the After-Rehab Value, the ARV will 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 "Estimates 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 CalHome, the cost of the appraisal will

be included in the Borrower's loan. For HOME, the cost of the appraisal will be paid by the Sponsor, not by the Borrower. The purpose of the appraisal is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See Attachment C).

- 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 CalHome, the cost of the appraisal will be included in the Borrower's loan. For HOME, the cost of the appraisal will be paid by the Sponsor, not by the Borrower. The purpose of the appraisal is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (See Attachment C).

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****Part 5 Inclusions**

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

| General Category | (Last Modified: January 2005) |
|--|---|
| 1. Income from wages, salaries, tips, etc. | 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. Business Income | The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family. |
| 3. Interest & Dividend Income | Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD. |
| 4. Retirement & Insurance Income | The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except for certain exclusions, listed in Income Exclusions, number 14). |
| 5. Unemployment & Disability Income | Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3). |
| 6. Welfare Assistance | Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income: <ul style="list-style-type: none"> • Qualify as assistance under the TANF program definition at 45 CFR 260.31; and • Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). 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: <ul style="list-style-type: none"> • the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: • the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage. |
| 7. Alimony, Child Support, & Gift Income | Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling. |
| 8. Armed Forces Income | All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions). |

Part 5 exclusions

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

| General Category | (Last Modified: January 2005) |
|-------------------------------------|---|
| 1. Income of Children | Income from employment of children (including foster children) under the age of 18 years. |
| 2. Foster Care Payments | Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone). |
| 3. Inheritance and Insurance Income | Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except for certain exclusions, listed in Income Inclusions, number 5). |
| 4. Medical Expense Reimbursements | Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member. |
| 5. Income of Live-In Aides | Income of a live-in aide (as defined in 24 CFR 5.403). |
| 6. Income from a Disabled Member | Certain increase in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671 (a)). |
| 7. Student Financial Aid | The full amount of student financial assistance paid directly to the student or to the educational institution. |
| 8. "Hostile Fire" Pay | The special pay to a family member serving in the Armed Forces who is exposed to hostile fire. |
| 9. Self-Sufficiency Program Income | <ul style="list-style-type: none"> a. Amounts received under training programs funded by HUD. b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time. e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program. |
| 10. Gifts | Temporary, nonrecurring, or sporadic income (including gifts). |
| 11. Reparation Payments | Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. |
| 12. Income from Full-time Students | Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse). |
| 13. Adoption Assistance Payments | Adoption assistance payments in excess of \$480 per adopted child. |
| 14. Social Security & SSI Income | Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts. |
| 15. Property Tax Refunds | Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit. |
| 16. Home Care Assistance | Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home. |

17. Other Federal Exclusions

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 housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:

- ▶ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
- ▶ Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- ▶ Payments received under the Alaskan Native Claims Settlement Act;
- ▶ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
- ▶ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
- ▶ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program.
- ▶ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- ▶ The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;
- ▶ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;
- ▶ Payments received from programs funded under Title V of the Older Americans Act of 1965 (Green Thumb, Senior Aides, Older American Community Service Employment Program);
- ▶ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the *In Re Agent Orange* product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- ▶ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;
- ▶ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ▶ Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps).
- ▶ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- ▶ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990;
- ▶ Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- ▶ Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- ▶ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

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 3/1/17

| COUNTY NAME | Existing |
|-------------|-----------|
| FRESNO | \$223,000 |

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 SUBSIDY LIMITS PER UNIT

(Limits are effective 11/18/15)

| COUNTY NAME | 0-Bedroom | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4-Bedroom |
|-------------|-----------|-----------|-----------|-----------|-----------|
| FRESNO | \$140,107 | \$160,615 | \$195,305 | \$252,662 | \$277,344 |

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

(Limits are effective 6/6/16)

| Number of Persons in Household | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 80% of AMI | \$33,000 | \$37,700 | \$42,400 | \$47,100 | \$50,900 | \$54,650 | \$58,450 | \$62,200 |

CURRENT INCOME LIMITS FOR THE AREA (FOR CalHome)

(Limits are effective 5/24/16)

| Number of Persons in Household | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 80% of AMI | \$33,000 | \$37,700 | \$42,400 | \$47,100 | \$50,900 | \$54,650 | \$58,450 | \$62,200 |

*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/cdbg-home-income-limits.shtml> (for CalHome income limits, go to <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#state-2016> and choose 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 |

- Opposite sex children under 6 years of age may share a bedroom, up to 2 children per bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom, up to 2 children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom may be added.
- 8 or more people – a third bathroom may be added.
- 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

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:

- o Proof of occupancy in the form of a copy of a current utility bill; and
- o Statement of unit's continued use as primary residence of the owner.
- o Declaration that other title holders do not reside on the premises;
- o Verification that Property Taxes are current; and
- o 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 timeframe allowed by law. Sponsor or its designated Loan Servicing Agent is proficient in performing the related calculations. Reconveyances 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 lead-based paint remaining 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

| REHABILITATION | (Be sure to include all costs for proposed changes, if any, to the number of bedrooms & bathrooms) | RECONSTRUCTION |
|----------------|--|----------------|
| | 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 jobs 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 job.
- 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 jobs 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 job performance is evaluated by the jurisdiction's building official or building inspector and SHE's Rehabilitation Construction Manager or Rehab Specialist (see attached Contractor Job 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 job, 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 job. Before the job 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 JOB 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.

CONTRACTOR JOB PERFORMANCE EVALUATION

| | |
|------------------------|------------------------|
| File #: _____ | Contractor Name: _____ |
| Project: _____ | License #: _____ |
| Project Address: _____ | Project Address: _____ |
| City/State/Zip: _____ | 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: _____ | Organization: _____ |
| Title: _____ | 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/o 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