



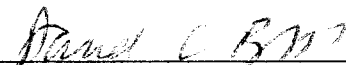
City of Carson

Report to Mayor and City Council

February 19, 2013
New Business Consent

SUBJECT: CONSIDER INCREASING THE CONTRACT WITH MDG ASSOCIATES, ALLOCATING ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE NEIGHBORHOOD PRIDE PROGRAM AND AMENDING THE PROGRAM GUIDELINES TO SERVE MULTI-FAMILY STRUCTURES


Submitted by Clifford W. Graves
Director of Community Development


Approved by David C. Biggs
City Manager

I. SUMMARY

The City's residential rehabilitation program, also known as the Neighborhood Pride Program (NPP), has been very successful in helping low- and moderate-income residents make health and safety repairs to their homes. Because the staff and the City's consultant have increased the pace of projects, the program has greatly reduced the existing backlog of cases. Allocating additional Community Development Block Grant funds can allow the program to continue at this pace. An amendment (Exhibit No. 1) to the existing consultant agreement is needed for the expanded operation of the program. Revised program guidelines (Exhibit No. 2) will allow the use of funds in multi-family buildings.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 1 to the agreement with MDG Associates to increase the amount by \$45,000.00 and extend the agreement for one additional year.
2. ALLOCATE \$300,000.00 from uncommitted grant funds to the Neighborhood Pride Program.
3. APPROVE modifying the Neighborhood Pride Program guidelines to allow the use of funds for multi-family buildings.
4. AUTHORIZE the Mayor to execute Amendment No. 1 to the agreement following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The Community Development Block Grant (CDBG) Program has funded the NPP for many years. While the grant amount has been reducing over time, improved efficiencies in the program still allow many low- and moderate-income homeowners to have health and safety improvements made to their homes. The backlog of applications by the beginning of this fiscal year had reached 153. Through screening of the applications and because some of the applicants were no longer interested, the list dropped significantly.

More importantly, the pace of projects has risen considerably. Since July 1, 2012, 17 homes have been completed. Another 13 are in progress now. The result is a waiting list down to 46. Many of these are now ready to proceed. A large number are mobilehomes, which can be completed quickly.

With an additional \$300,000.00 allocated this fiscal year, there could be up to 30 more homes completed. The city could once again take applications to serve those families most in need. For example, two current projects are homes where the heater has failed and no other program is available for assistance. The proposed amount is below the level that would require an additional public hearing.

MDG Associates conducts inspections, prepares the scope of work, and works with each contractor and home owner to complete the project. Because of the high pace of work this fiscal year, the firm has nearly exhausted the \$140,000.00 allocated in the existing contract (MDG also handles commercial rehabilitation and has up to \$60,000.00 for that activity). The additional \$45,000.00 will cover the balance of the fiscal year. The contract will be expiring in June and may be extended if the City so chooses. An extension is included in the proposed amendment.

The other issue is that the NPP guidelines do not currently allow the program to assist multi-family dwellings. While Carson has few multi-family dwellings where the program would be helpful, communities like the Scottsdale Townhomes are exceptions. A change in the program guidelines adopted in May 2011 would set criteria to work within CDBG regulations. Proposed new guidelines are attached (Exhibit No. 2). With single-family homes, eligibility is based on the income of the family living in the home. For multi-family dwellings, the entire building would need to qualify, which is significantly more challenging. It is quite possible that some buildings in a complex may qualify while others do not.

Since the City Council is considering changes to the guidelines, staff has included a number of other changes to conform to the new names of city departments and the titles of the individuals working in the program. There is

one other substantial change. Staff proposes raising the limit for mobilehomes from \$5,000.00 to \$7,500.00 normally and up to \$10,000.00 in cases where \$7,500.00 is deemed by the review committee to be insufficient to cover health and safety issues such as roof repair, heating system replacement and water heater replacement. The current limit has been found to be insufficient to cover these common items.

V. FISCAL IMPACT

As of January 31, 2013, the City had \$556,986.43 in uncommitted CDBG funds. Allocating \$300,000.00 would clearly be a permitted use of those funds. The City is required by federal regulations to keep the ratio of unspent funds down. The allocation would be very helpful in keeping Carson in compliance.

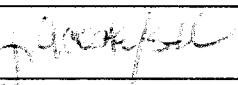
VI. EXHIBITS

1. First amendment to MDG Associates agreement. (pg. 4-6)
2. Proposed multi-family guidelines. (pgs. 7-17)

Prepared by: Barry Waite, Business Development Manager

TO:Rev09-04-2012

Reviewed by:

City Clerk	City Treasurer
Administrative Services 	Public Works
Community Development	Community Services

Action taken by City Council	
Date _____	Action _____

**FIRST AMENDMENT TO MDG ASSOCIATES, INC.
CONSULTANT SERVICES AGREEMENT**

This First Amendment to that certain Consultant Services Agreement, dated as of June 6, 2012 (the "First Amendment"), is made and entered into this 19th day of February, 2013, by and between the City of Carson, a general law city & municipal corporation (City), and MDG Associates, Inc., a California corporation (Consultant).

WHEREAS, the Agency and Consultant previously entered into that certain "**Consultant Services Agreement for Inspection and Project Coordination**" dated as of June 6, 2012 (the "Agreement"); and

WHEREAS, the City desires to amend such Agreement in order to perform additional services within the scope of services defined in such Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Section 2 of the Agreement is hereby amended to read, in its entirety, as follows:

"2. Term of Agreement. This Agreement is effective on the date set forth in the initial paragraph of this Agreement and shall remain in effect for a period of two (2) consecutive calendar years thereafter unless earlier terminated pursuant to Section 14."

Section 2. Section 3 of the Agreement, and Exhibit "A" thereto, are hereby amended to read, in their entirety, as follows and as attached as Exhibit "A":

"3. Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "A"* and incorporated herein by this reference, but not exceeding the maximum annual contract amount of Two hundred and Forty-Five thousand dollars (\$245,000) for a total of Four hundred and Ninety thousand dollars (\$490,000) ("Contract Sum")."

Section 3. Except as expressly amended by this First Amendment, all other terms, conditions, and obligations of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

“CITY”

CITY OF CARSON, a municipal corporation

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney

“CONSULTANT”

MDG ASSOCIATES, INC., a California
corporation

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Address: _____

[END OF SIGNATURES]



EXHIBIT "A"

SCHEDULE OF COMPENSATION

Compensation: The City shall compensate Consultant on an hourly basis as set forth below. The hourly fees are inclusive of all normal business overhead (i.e. travel, telephone, fax).

The fees are as follows:

President	\$95.00
Vice President	\$85.00
Manager	\$80.00
Senior Associate	\$80.00
Associate	\$65.00
Senior Project Assistant	\$50.00
Project Assistant	\$50.00
Secretary	\$35.00

Consultant shall present an invoice to City itemizing the duties performed and the amount of time relating to each task per the agreed upon scope of services, including any reasonable authorized reimbursable costs. City shall compensate Consultant only upon presentation of such itemized invoice. All reimbursable items are billed at Cost plus 10%.

Maximum Amount: \$245,000.00 as approved by the City Council on June 6, 2012, and amended February 19, 2013.





CITY OF CARSON
NEIGHBORHOOD PRIDE PROGRAM

PROGRAM GUIDELINES

I. PROGRAM DESCRIPTION

Mission Statement

The City of Carson (City) Neighborhood Pride Program (NPP or Program) is designed to promote well-maintained and safe residential communities through the use of U.S. Department of Housing and Urban Development (HUD) funded loans and grants for low and moderate-income eligible households.

Program Summary

The Neighborhood Pride Program is designed to assist low- and moderate-income owners of single-family detached, multi-family (2 or more units) and mobilehome dwellings and mobilehomes with the preservation of decent safe and sanitary housing. The NPP corrects hazardous structural conditions, makes improvements considered necessary to eliminate blight, promotes the construction of healthy, sustainable and resource-efficient housing, improves disabled access, and corrects building, and health and safety code violations.

Program funds may be used to complete required and approved housing rehabilitation construction repair activities and addressing lead based paint hazards, and is inclusive of all CDBG eligible project-related soft costs, including but not limited to hazardous materials testing fees, title fees, and document recordation fees.

II. SOURCE OF FUNDS

NPP projects are funded from the City's annual allocation of Community Development Block Grant (CDBG) funds. The City of Carson receives CDBG funds from the U.S. Department of Housing and Urban Development (HUD) as authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. Funds for the NPP are approved by the City Council each fiscal year as part of the City's Annual HUD Action Plan process and in conjunction with the City's annual budgeting process.

III. PROGRAM LOANS AND GRANTS

The NPP will provide zero-interest (0%) deferred loans which will be made available to eligible households whose incomes do not exceed the 80% of Area Median Income adjusted for household size as promulgated by HUD. Program loans may not exceed \$25,000. Program funds may not be used for refinancing purposes. The terms applicable to Program loans are described further in Section IV-F of these Program Guidelines. Program loans shall be underwritten by program staff and approved by the Rehabilitation Screening Committee (RSC), comprised of the following: Principal Administrative Analyst, Business and Employment Development Manager, Sr. Administrative Specialist, Housing Analyst, Rehabilitation Finance Counselor, Housing Inspector, and the Program Consultant and any other individuals the manager deems appropriate.

Multi-Family: Grants are available in the form of a one-time grant for interior improvements to owner-occupied/tenant dwellings (2 or more attached units). The property must be located in a designated target area. For applicants to receive a grant for multi-family dwellings, the household income of the majority of owner occupant/renters shall be less than 80% of the area median. Multi-family dwellings may receive a maximum grant of \$7,500 per unit. The funding source is CDBG funds.



There is no Deed of Trust placed against the property for the grant amount. Rehabilitation staff shall approve eligible items for rehabilitation prior to the commencement of work.

Alternatively, the NPP can provide a program grant to eligible households whose incomes do not exceed the 80% of Area Median Income adjusted for household size as promulgated by HUD. A program grant may not exceed \$10,000 for single family detached residential properties, may not exceed \$7,500 per unit for multi-family and a maximum of may not exceed \$5,07,500 for mobilehomes except where the RSC finds up to \$10,000 is needed to cover health and safety issues. NPP grants shall be approved by the RSC.

Eligible applicants may only receive either a program grant or a program loan, but not both. There is a limit of one (1) Program loan or one (1) Program Grant per eligible applicant. In instances where a NPP loan or NPP grant has been provided, and the maximum loan or maximum grant limit has not been utilized, re-application for the balance of the residual program maximum amount is not allowed.

Program loans will be evidenced by a promissory note and secured by a deed of trust. Program loans may not be in a junior position beyond a third trust deed.

All program loan and grant funding is limited and subject to the availability of program funds.

IV. ELIGIBILITY CRITERIA – SINGLE-FAMILY DWELLINGS

A. Eligible Applicants

Eligible applicants are owners of single-family detached residential properties or mobilehomes located within the Carson corporate city limits. Eligible applicant properties must be owner-occupied dwelling units. All title holders must sign all program related documentation to be considered eligible applicants.

Program loans may only be made to owner-occupants with acceptable credit history and clear title to an eligible property in need of rehabilitation. As a prerequisite to eligibility, an applicant must be willing to correct all current code violations.

City Council Members, and any employee, official or agent of the City who exercises any policy or program decision-making function in connection with the NPP are ineligible for assistance under the Program. This policy extends for a period of one (1) year beyond an individual's disassociation with the City of Carson in such capacity.

B. Eligible Household Income

In accordance with CDBG requirements, owner-occupant household income may not exceed 80% of the Los Angeles County Area Median Income adjusted for household size (Moderate Income) as promulgated by the U.S. Department of Housing and Urban Development (HUD) (See Attachment "A"), which is based on annual income guidelines which are provided by HUD in May. New income guidelines are to be made effective July 1st of the next program year.

The determination of annual household income shall be made by NPP staff in accordance with the requirements of the CDBG program utilizing the "IRS Form 1040 Adjusted Gross Income Method" of annual income determination.

C. Eligible Improvements



Program loans and grants may be expended for structural repairs, roofs, insulation, rodent and pest extermination, cabinets, counters, plumbing repairs, electrical repairs, windows/window frames, door/door frames, flooring, painting (interior and exterior), energy efficiency improvements, and Americans with Disabilities Act (ADA) improvements. Site work involving the foundation, drainage improvements or any health and safety concerns or code violations may also be eligible. Current building and code violations and health and safety related repairs shall take precedence over all other repairs, including general property improvements. Construction of room additions or the initial construction or repair of luxury items and recreational areas (i.e., bar-b-ques, saunas, hot tubs, patio covers, etc.) are not eligible for NPP funding. In no event shall general property improvements exceed 25% of total NPP funding.

The installation or repair of heating and air conditioning systems are subject to the review and approval of the RSC.

In the event that illegal construction is determined to be present on the applicant's property, NPP funds may only be used for the removal of the illegal condition. Reconstruction of illegally constructed property improvements is not an eligible activity under the NPP.

Construction materials used for this Program shall conform to the specifications designed by Staff. In the event that the Participant desires to upgrade approved work scope items beyond designated standard grade materials, the Participant may be allowed to fund the difference between standard and upgraded materials, subject to RSC review and approval. If approved by the RSC, an analysis must be performed by NPP staff to determine the reasonableness of the change, and the Participant must provide personal funds to the City for the upgrades, concurrently with the signing of loan or grant documentation. The amounts for any upgraded items shall be clearly designated on the contractor agreement and indicate that the Participant is funding this portion of the construction activity.

D. Eligible Costs

In addition to construction costs, Program loan and grant proceeds may also be used for any Program fees, such as, but not limited to the title report, credit report costs, document recordation costs, escrow costs, hazardous materials testing costs, hazardous materials removal or abatement, and other project-related soft costs that are necessary to implement the project.

E. Relocation

Relocation is not contemplated as a part of this rehabilitation activity, however if relocation is required, such relocation shall be performed in compliance with the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 and Section 104(d) and may be paid for using program funds.

F. Loan Conditions, Rates and Terms

The maximum loan amount obtainable under the NPP is \$25,000, which shall be used to address all applicable work scope items, inclusive of lead based paint remediation or removal. The minimum NPP loan amount is \$10,000.



The NPP loan is deferred, and will not accrue interest and does not require monthly payments. The NPP loan is immediately payable inclusive of the unpaid principal balance, and any other amounts due under the Note upon the earlier of:

1. The sale, conveyance, transfer, hypothecation of the security, or any part thereof, or any interest therein, or divestment of title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the prior written consent of the City being first had and obtained; or
2. Failure to adhere to the provisions of the Participation Agreement; or
3. Failure to perform any obligation under the Deed of Trust securing the Note, or any other Deed of Trust encumbering the security.

Participant shall be required to maintain owner-occupancy of any property assisted with NPP funds for a minimum period of one year from the date of completion of the repairs as determined by the date of the Notice of Completion, and in conformance with the provisions of the Participation Agreement. In the event that owner-occupancy is not maintained for the minimum one-year period, all NPP funds expended on behalf of the property must be returned to the City.

Participant may pre-pay the City Loan at any time without penalty.

The City Loan is not assumable except under the limited circumstances listed below. The following allowable assumptions shall not be construed as a transfer under the provisions of this Policy:

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;
4. A transfer to an intervivos trust in which the Borrower(s) is/are and remains/remains the beneficiary and occupant of the property.

G. Loan Subordination

If an existing loan is being refinanced and City loan subordination is requested, then the refinance cannot increase the amount of the then outstanding debt against the property except to cover the usual and customary fees related to the refinance. All subordination requests are subject to City review and RSC approval.

H. Loan Repayments

All loan payments received under the NPP shall be entered into the NPP Revolving Loan Fund for the funding of future eligible NPP activities.

V. ELIGIBILITY CRITERIA – MULTI-FAMILY DWELLINGS

A. Multi-Family Applicant

Formatted: Indent: Left: 0.5", Tab stops: Not at 0.33"

Formatted: Font: Bold

Formatted: Indent: Left: 0.25", Tab stops: Not at 0.33"

Formatted: Font: Not Bold

Formatted: Indent: Left: 0.5", Tab stops: Not at 0.33"



In order to make determinations with respect to eligibility for a CDBG grant, a multi-family applicant is identified as a low-mod (LMI) household having an income of 80% or less than the area median income. The applicant must reside in a unit within an eligible structure. Two-unit structures must have at least one unit occupied by a LMI household. If the structure contains three or more units, at least 51% must be LMI occupied.

Formatted: Indent: Hanging: 0.5", Tab stops: Not at 0.33"

Formatted: Font color: Text 2

B. Sources of Funds and Amounts Comprising Owner Occupant/Renters Income

Formatted: Font color: Accent 1

Formatted: Font color: Blue

The following is a listing of the elements comprising income, for purposes of a CDBG grant. ~~Allowances to reduce gross income are stated in paragraph C. Exclusions from income applicable in special circumstances are stated in paragraph D.~~ Income of a owner occupant/renter includes the gross income of the owner occupant/renter and their family. The owner occupant/renter's family includes the owner occupant/renter and any other person or persons related by blood, marriage, or operation of law, who share the same dwelling unit and/or has ownership interest in the property. A owner occupant/renter's income shall be established on an annual basis and on the projected income for a twelve-month period from the time of the application. The projected income shall be based on verified proof of current income. The income for the preceding two (2) taxable years at the time of the application shall be included in the computation for establishing annual income when the sources of current income are temporary (less than twelve (12) months), and there is a reasonable evidence that the applicant's income potential is considerably higher than the verified current income (e.g. teacher on sabbatical leave, temporary job layoff, etc.). However, the income for the preceding taxable years shall not be included in the computation for establishing annual income when the sources of current income amount to less than 80 percent of the area median as per Chapter V, Definitions, above, and meet the criteria enumerated below.

1. Applicant's current source of income is pension benefits, social security and/or Social Security Insurance (SSI) payments and/or related payment benefits resulting from retirement due to age.
2. Applicant's current source of income is disability, social security, SSI, worker's compensation, and/or other benefits resulting from permanent and/or temporary disability of no less than twelve (12) months in duration.
3. Applicant's current source of income is social security, SSI, AFDC, child support and/or a combination of the subsection above.

Formatted: Indent: Left: 1", Hanging: 0.5", Tab stops: Not at 0.33"

Formatted: Underline

Formatted: Indent: Hanging: 0.5", Tab stops: Not at 0.33"

Applicant's income may include, but is not limited to:

1. The applicant's gross earnings.
2. Spouse's gross earning, and earnings of all other members of the family who share the household, if the employment of the spouse or other family member is a definite characteristic of family life.
3. Other income regularly received by the applicant or their family from any source including payments from social security, annuities, insurance policies, retirement funds, pension, disability benefits, unemployment and disability compensation, and worker's compensation.
4. Income from assets including savings, stocks, bonds, vacant land, etc.



5. Income from real estate including rental units on the property to be rehabilitated based on:

a. Gross rental income, less (b).

b. On the basis of an average of experience for two (2) or more years, expenditures for mortgage principal and interest, mortgage insurance premium, service charges, hazard insurance, real estate taxes, special assessments, maintenance, and repairs, heating and utilities, ground rent, and other cash expenditures for the property such as advertising vacancies shall be calculated and deducted to obtain net income amount. If the applicant has not owned the property for two (2) years, the City shall estimate the income and expenditures on the available experience.

Formatted: Indent: Left: 1.5", Hanging: 0.5",
Tab stops: Not at 0.33"

6. Business Income

a. Applicant must submit current two (2) years Federal Income tax returns.

b. Must submit a financial statement for the past six (6) months.

Formatted: Tab stops: Not at 0.33"

V. IMPLEMENTATION

A. Administration

The Carson Economic Development work-groupCommunity Development Department staff or their designees (Staff) shall administer the NPP Program. As used herein, the term "Staff" may include either employees or consultants of the Carson Economic Development work-groupCommunity Development Department under the direction of the Director. The administration of the NPP including, without limitation, application evaluation procedures, rehabilitation assessments, cost estimation, bid solicitation, contractor selection, construction management, inspection, disbursement of Program funds and processing of the Notice of Completion will be managed in accordance with these approved Guidelines.

The Director of the Economic Development work-groupCommunity Development Department shall be responsible for ensuring that the NPP Implementation Guidelines are maintained and updated periodically to ensure compliance with all U.S. Department of Housing and Urban Development policies and regulations. The Implementation Guidelines shall conform to these approved Guidelines.

B. Application

Applications for participation in the Program may be obtained from and returned to the City of Carson Economic Development work-groupCommunity Development Department. Applications will be accepted on a first-come first-served basis from eligible applicants consistent with funding availability. The application must be completed in its entirety and submitted together with the following documentation:

1. Completed Application Form;
2. Copy of applicant(s) valid government-issued photo identification;
3. Verification of all Household Income, which must include, but is not limited to the Applicant's most recent signed Federal Income Tax Return, three (3) most recent consecutive pay stubs, three (3) most recent bank statements, and statements or other acceptable documentation of all other income sources and asset accounts;



4. Proof of ownership of the eligible property such as a copy of the Deed of Trust, or Grant Deed;
5. Proof of occupancy at the residence by providing a copy of a utility bill (however not a water or trash bill);
6. A prioritized and itemized list of the construction work requested to be done;
7. Acknowledgement form for receipt of the lead based paint brochure;
8. Copy of the latest property tax bill; and
9. Copy of the homeowner's insurance policy.

Only when the program application is complete, submitted, and Staff has confirmed income eligibility and the owner-occupant status, shall the Applicant be placed on a list of eligible projects in the order of the date of the eligibility determination approval. Therefore, those eligible applicants who submit all requested documents with the Application in the shortest time frame will have the highest priority for assistance under the Program. For the purpose of determining actual funding, completion of all program requirements must be achieved, inclusive of the timely procurement of bids, and execution of all related program documentation.

Application approval is subject to funding availability. Staff's eligibility determination is not a commitment of funds. Funds shall only be committed upon the approval by the RSC, full execution of the Participation Agreement, signing of the promissory note, and the recordation of the Deed of Trust.

CD. Pre-qualification, Evaluation and RSC Review

1. Pre-qualification and Property Evaluation – Each application filed will be dated and processed in the order received. Staff will review applications for completeness and verify Applicant and property eligibility. Incomplete applications will be returned to the Applicant. Staff shall notify all ineligible Applicants of their status by written correspondence.
2. Property Evaluation - Prior to consideration by the RSC, Staff shall schedule an appointment with each pre-qualified applicant at the subject property to review the work requested and to inspect the premises. Based on this on-site review, Staff shall prepare a Current Conditions Assessment Report that will establish the type and level of rehabilitation required, and any potential lead-based paint concerns. Subsequent to the inspection, a complete work description shall be prepared with an internal cost estimate.
3. RSC Review – NPP Staff shall prepare an Applicant summary which provides details regarding: the applicant, the property, anticipated repair needs, lead based paint concerns, and estimated repair costs. The RSC shall convene and provide a determination regarding the eligible scope of work, the amount of funds to be conditionally awarded to the project, and any other conditions of approval or denial. In order to proceed, all RSC members must approve all NPP loans and grants. Any determination of the RSC may be appealed to the Director of the Economic Development work group, whose decision is final.
4. Owner Approval and Work Scope Changes – The owner shall review and provide an approval signature on the Work Description and Bid Proposal Form prior to the preparation of bid packages by the City. Any major work scope changes which are

proposed subsequent to the RSC approval, but prior to construction, require resubmission to the RSC for approval.

D. Bidding and Contractor Selection Procedures

The applicant shall solicit bids (in accordance with the NPP Implementation Guidelines) from contractors for completion of the rehabilitation work. Owners shall solicit bids from general contractors (B-Licensed) for Work Descriptions involving more than one specialty contractor. Bid solicitations can only be made from licensed specialty contractors if the Work Description involves a single specialty (i.e. roofing, electrical, plumbing, etc.). Once the owner has received three (3) or more bids from qualified contractors, the owner shall submit three (3) or more bids to NPP staff for review. The bid evaluation shall result in the contract award to the lowest responsible, responsive bidder. Prior to contract award, Staff will confirm contractor eligibility by:

1. Verifying the contractor's license status with the Contractors State License Board (www.cslb.ca.gov);
2. Verifying the contractor's Federal debarment status with the Excluded Parties Listing System (www.epls.gov);
3. Obtaining a copy of the contractor's current City of Carson Business License; and
4. Obtaining an additionally insured General Liability (\$1 million general aggregate coverage) Insurance certificate in a manner approved by the City's risk manager, and a Workers Compensation (statutory coverage) insurance certificate.

Formatted: Default Paragraph Font, Font: (Default) Times New Roman

Formatted: Default Paragraph Font, Font: (Default) Times New Roman

Formatted: Default Paragraph Font, Font: (Default) Times New Roman

Formatted: Default Paragraph Font, Font: (Default) Times New Roman

E. Emergency Repairs

In the event that an eligible Applicant has an emergency condition on the property that requires immediate attention based on a potential health and safety threat, at the request of Applicant, the City will consider the provision of accelerated assistance to address the health and safety concern.

NPP Staff will inspect the property to ascertain the property deficiency, and provide an inspection report to the RSC detailing the need and costs associated with rectifying the immediate health and safety concern.

The RSC will review the Staff inspection report and provide a determination regarding the provision of accelerated funding. Any NPP funding provided under emergency conditions shall only address the specific health and safety concern. Upon completion of the repairs to the specific emergency condition, the Applicant will resume their original position on the waiting or funding list.

Applicants must be deemed eligible under the provisions of the NPP Implementation Procedures by NPP Staff prior to the funding of any emergency repairs.

F. Loan Documents

When bid proposals are complete, loan approval has been obtained from the RSC and the bid is ready to be awarded to the lowest responsive and responsible bidder, Staff shall present the applicant with a Participation Agreement and loan documents, which includes the:

1. Promissory Note;
2. Deed of Trust;
3. Good Faith Estimate of Settlement Charges;

4. Itemization of Amount Financed;
5. Right of Rescission; and
6. Request for Notice under Section 2924b of the Civil Code (i.e. Notice to City if senior loans foreclose or upon sale).

The City shall not be committed to fund any loan-funded project prior to the City's and Applicant's execution of the Participation Agreement and recordation of the NPP Deed of Trust. Similarly, the City shall not be committed to fund any grant-funded project prior to the Applicant's and City's execution of the Participation Agreement. Staff shall provide fully executed duplicates of the originals of the Participation Agreement and any loan documents to the Applicant.

G. Pre-Construction Meeting, Contractor Agreement, Notice to Proceed and Construction Phase

Following the recordation of loan documents or upon execution of the Participation Agreement for a grant transaction, Staff will convene a pre-construction meeting with the owner and selected contractor to review the Contractor Agreement, Work Description and Bid Proposal Form, and to answer site-specific questions. A job-walk will be performed detailing the scope of work to be performed and expectations regarding finished repairs. Three (3) calendar days following the execution of the Contractor Agreement, Staff will issue the Notice to Proceed. Subsequent to obtaining the required permits, the contractor will carry out the required work. Generally, work shall commence no later than ten (10) days from the date of the Proceed Notice and work must be completed no more than 30-60 days after the start date (or as agreed upon by the owner and contractor, subject to City approval). NPP Staff shall regularly inspect work progress upon receipt of a payment request from the contractor. Property owners and Staff shall authorize the release of program funds in accordance with the Participation Agreement between the property owner(s) and the City, as well as the Contract Agreement between the property owner(s) and the construction contractor as further detailed in the NPP Implementation Guidelines.

H. Project Closeout

Individual rehabilitation projects will be financially closed subsequent to Staff approval of the work performed and the property owner's execution of a Notice of Completion. To prevent persons or businesses associated with the project from filing a lien against the property after the City has released all project funds, the City shall withhold ten percent (10%) of the construction contract from the prime contractor until such liens may no longer be filed, which, in accordance with California Civil Code Section 3116 is 30 calendar days following the recordation of the Notice of Completion with the County Recorder's Office. To allow for the receipt of mailed notification of any recorded liens, the City shall withhold the ten percent (10%) retention until 35 calendar days following the recordation of the Notice of Completion.

I. Approval of Program Legal Documents

All Program legal documents shall be approved as to form by the City's legal counsel prior to their use.



J. Authority to Administer

The preparation and use of all required Program Implementation Guidelines, manuals, forms, documents and agreements shall be administered by the Director of the Economic Development work group, or his/her designee, in accordance with this Policy.

The Principal Administrative Analyst ~~Business and Employment Development Manager of the Economic Development work group~~ Community Development Department may also approve upon RSC review the subordination of the City's Program loan lien in the event that a borrower refinances a prior recorded loan in conformance with the City's subordination policy.

K. Program Guidelines Changes And Modifications

Minor changes to these Program Guidelines involving administrative procedures or accommodations to adapt to regulatory changes may be performed with the approval of the Director of the ~~Economic Development work group~~ Community Development Department. All other changes require the approval of the Carson City Council.

