



COUNTY OF SAN DIEGO  
DEPARTMENT  
OF  
HOUSING AND COMMUNITY DEVELOPMENT

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## **Home Investment Partnerships (HOME)**

## **Community Housing Development Organization (CHDO)**

## **Notice of Funding Availability (NOFA)**

**Release Date: January 22, 2010**

**Submission Date: February 26, 2010**

Source of Funds:

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

*David Estrella*  
*Director*

[www.sdcounty.ca.gov/sdhcd/library/nofa.html](http://www.sdcounty.ca.gov/sdhcd/library/nofa.html)

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# COUNTY OF SAN DIEGO

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## GENERAL INFORMATION

The Home Investment Partnerships Program (HOME) was created by the National Affordable Housing Act of 1990. A goal of the HOME Program is to provide funds to expand the supply of affordable housing for very low-income and low-income persons as defined under 24 CFR part 92. A portion of HOME Program funds are reserved for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves.

The Community Development Block Grant Program (CDBG) is a federal block grant program created by Congress. CDBG-funded projects provide a benefit to low and moderate income persons. CDBG regulations permit acquisition, construction and rehabilitation of affordable housing developments as eligible activities. However, new construction activities are only eligible when carried out by a Community-Based Development Organization (CBDO). CBDO's are defined in the CDBG regulations at 24 CFR part 570.204.

## FUNDING AVAILABILITY

In releasing this Notice of Funding Availability (NOFA), the County of San Diego, Department of Housing and Community Development (HCD) is announcing the funding availability of up to \$1.2 million for eligible CDBG and HOME activities undertaken by a CHDO acting as an **owner, developer or sponsor** of affordable housing located in the unincorporated areas of the County of San Diego or the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, or Solana Beach. Affordable housing applications for funding outside of these areas may be considered provided that the local jurisdiction is making a substantial contribution and the project serves a special needs population benefiting the urban county.

## ELIGIBLE APPLICANTS

CHDO's who can demonstrate their ability to own, develop or sponsor eligible affordable housing activities are encouraged to submit proposals. Proposals must state the role of the CHDO in carrying out the activity, how the proposed activity is an eligible CHDO activity, as specified above, and provide a timeline for project completion.

Nonprofit organizations that are not currently certified as a CHDO but believe they would qualify as a CHDO are also encouraged to submit proposals. However, a proposal submitted from an organization that is not currently certified as a CHDO will not be reviewed until the organization is successfully certified as a CHDO. Please contact Jaclyn Borillo, Housing Program Analyst, at [Jaclyn.Borillo@sdcounty.ca.gov](mailto:Jaclyn.Borillo@sdcounty.ca.gov) or (858) 694-4805 to request CHDO certification documents.

Activities funded with HOME CHDO funds have a mandatory 15 year affordability period; 20 year affordability period for new construction projects. However, please be advised that the County imposes additional affordability restrictions to 55 years for all NOFA projects. HOME units must be restricted for occupancy by individuals or families at or below 80 percent of the area median income. Lower income levels apply for initial occupancy.

Submittals marked “Department of Housing and Community Development, County of San Diego, Attn: Community Development Division” are **due no later than 5:00 PM on Friday, February 26, 2010**, at the front reception desk in the Department of Housing and Community Development at 3989 Ruffin Road, San Diego, CA 92123. Submittals must consist of a signed original and one copy of the complete application packet. Faxed copies will not be accepted.

Late proposals cannot be considered unless that is the only one received or there was mishandling on behalf of County staff.

### ELIGIBLE ACTIVITIES

Eligible activities include the following when carried out by a CHDO acting as an owner, developer or sponsor:

- Acquisition and/or rehabilitation of rental housing;
- New construction of rental housing;
- Acquisition and/or rehabilitation of homebuyer properties;
- New construction of homebuyer properties; and
- Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

### CHDO ROLES: OWNER, DEVELOPER AND SPONSOR

**Owner:** The CHDO is an “*owner*” when it holds valid legal title to or has a long-term (99-year minimum) leasehold interest in a rental property.

*Example:* A CHDO owns a property and contracts with another entity (for-profit or nonprofit) to act as a developer, and to construct new or rehabilitate existing building(s). After completion of the development, the CHDO will maintain ownership of the property.

- While the CHDO may be solely the owner, with another entity acting as a developer, it may also be the *owner and developer* of its own project.
- The CHDO may own a property in partnership with either a majority or minority interest. However, the CHDO, in partnership with a wholly owned for-profit or nonprofit subsidiary, must be the managing general partner with effective control (in decision-making authority) of the project.

**Developer:** A CHDO is a “*developer*” when it either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project.

If the CHDO owns the property, it must obtain financing and rehabilitate or construct the project.

- For HOME-assisted rental housing: At project completion, the CHDO may maintain ownership and manage the project over the long-term, or it may transfer the project to another entity for long-term ownership and management.

- For a HOME-assisted homebuyer project: The CHDO transfers title of the property and the HOME obligations to an eligible homebuyer within a specified timeframe of project completion.

If the CHDO does not own the property, it must be under a contractual obligation with the owner to obtain financing and rehabilitate or construct the project. Under this scenario, the CHDO assumes all of the risks and rewards associated with being the project developer. A written agreement between the CHDO and the property owner must detail the CHDO's specific obligations.

- For HOME-assisted rental housing: The CHDO may, at project completion, manage the project for the owner.
- For homebuyer housing: The owner must transfer title of the property and the HOME obligations to eligible homebuyers within a specified timeframe of project completion.

**Sponsor:** A CHDO is a “*sponsor*” for HOME-assisted rental or homebuyer housing according to the circumstances outlined below.

For HOME-assisted rental housing: The CHDO develops a project that it solely or partially owns and agrees to convey ownership to a *second nonprofit* organization at a predetermined time. The conveyance may take place prior to, during or upon completion of the development phase.

- The HOME funds are invested in the project owned by the CHDO sponsor.
- The CHDO sponsor identifies the particular nonprofit organization that will obtain ownership of the property *prior to commitment* of HOME funds.
- The other nonprofit will assume from the CHDO at a specified time all HOME obligations (including repayment of loans and tenant and rent requirements) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor will remain liable for the HOME obligations.
- The other nonprofit organization must be *financially and legally separate* from the CHDO sponsor. (The second nonprofit may have been created by the CHDO; nevertheless, it is a separate entity from the CHDO.)
- The CHDO sponsor must provide sufficient resources to the nonprofit organization to ensure the completion of development and long-term operation of the project.

*Example:* A CHDO enters into a legally binding agreement with ElderCare, an existing nonprofit organization experienced in providing enhanced housing services for the elderly **and** experienced in fulfilling the obligations and requirements of the HOME Program. The CHDO agrees to purchase and rehabilitate a vacant 50-unit property and convey the property to ElderCare upon completion of the construction phase. ElderCare will assume responsibility for the long-term management of the project, and for the fulfillment of all obligations and requirements associated with the use of the HOME funds.

For a HOME-assisted homebuyer's program: The CHDO owns a property, then shifts responsibility for the project to another nonprofit at some specified time in the development

process. The second nonprofit in turn transfers title, along with the HOME loan/grant obligations and resale requirements, to a HOME-qualified homebuyer within a specified timeframe.

- The HOME funds are invested in the property owned by the CHDO.
- The other nonprofit being sponsored by the CHDO acquires the completed units, or brings to completion the rehabilitation or construction of the property.
- At completion of the rehabilitation or construction, the sponsored nonprofit is required to sell (transfer) to a homebuyer the property, along with the HOME loan/grant obligations.
- The CHDO must always *own* the property prior to the development phase of the project.
- Direct homeownership assistance to a homebuyer is an eligible activity *only* if the assistance is used toward the purchase of a residence that was owned, developed or sponsored by a CHDO using HOME assistance to own, develop or sponsor the property.

**Similar roles:** The *developer* and *sponsor* roles are similar in many ways.

In both the developer and sponsor roles, the CHDO carries out some or all of the principal project development activities; such as acquisition, financing, construction management and putting together a capable development team that can bring a project from conception to completion.

However, as developer, the CHDO need not own the property.

As sponsor, the CHDO *must* own the property and shift the responsibility from the CHDO to another specific nonprofit at some specified time in the development process. Transfer could occur, for example, at:

- Initiation of the construction,
- Completion of the construction, or
- Issuance of the certificate of occupancy.

The HOME long-term affordability requirements for the project are the responsibility of the owner or subsequent owners of the property.

#### DEFINITION OF AFFORDABLE RENTS

The HOME program definition of affordable rents is published by HUD and adjusted annually. This means that 50% HOME rents are established for households with incomes at or below 50% of the area median income, which are known as Low HOME rents. Affordable rents will be determined by subtracting the family paid utilities from the applicable Low HOME rent. Low HOME rents can be found in **Attachment B** to this NOFA.

#### REHABILITATION STANDARDS

Rehabilitation activities must conform to the local written Rehabilitation Standards of the County of San Diego found in **Attachment Q** to this NOFA. State and local code requirements will apply, or if no state and local requirements, then the Uniform Building Code (ICBO), the

National Building Code (BOCA), the Standard Building Code (SBCCI), the Council of American Building Officials one – or two –family code (CABO), or the minimum property standards at 24 CFR 200.925 or 200.926 (FHA) will apply, as well as, handicapped accessibility requirements, where applicable.

### DEVELOPER CAPACITY

Applicant capacity to perform administrative, managerial, and operational functions, and to oversee the work necessary for successful completion of the proposed project, will be evaluated. Please provide the Developer Disclosure Statement (**Attachment H**).

To be eligible for financing, an applicant must:

1. Exhibit the prior work of staff, partners, or consultants resulting in successful development of affordable rental housing. Successful development may be in operation, construction, acquisition, acquisition with rehabilitation, or any combination of accomplishments that created or preserved affordable rental housing.
2. Possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, a leasehold with development provisions, or any other enforceable instrument approved by HCD.

### CONDITIONS

HCD reserves the right to negotiate and award contracts to multiple applicants and request additional information from applicants. By the act of submitting a proposal, applicants acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information they submit in response. HCD reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements, or cancel this NOFA at any time. All submittal packages become the property of HCD and, as such, are subject to the Public Information Act and become public property.

All requirements of the Home Investment Partnerships Program (HOME) and the federal Community Development Block Grant Program (CDBG) apply under this NOFA. Assistance with these regulations may be obtained from HCD by calling (858) 694-8741. For reference, an abridged set of HOME rules (**Attachment B**) is contained herein.

### TECHNICAL ASSISTANCE, CLARIFICATION AND ADDENDA

Consultation with County HCD staff to discuss potential project concepts, funding regulations, application requirements, etc. will be available by appointment. County HCD staff will be available for clarification of application contents and regulations. Requests for clarifications regarding this NOFA should be directed to: Tom D'Lugo, Department of Housing and Community Development, 3989 Ruffin Road, San Diego, CA 92123-1890, or at (858) 694-8741.

Substantive changes in the submittal requirements, if any, will be made and issued in the form of an addendum to all organizations requesting a NOFA package.

## PROPOSAL REQUIREMENTS

Responsive proposals should adequately address the following issues.

- Acceptable Developer Fee
- Accessibility
- Affirmative Fair Housing Marketing Plan
- Affordability
- Audited Financial Statements and Single Audit, as applicable
- Crime-Free Multifamily Housing
- Community Review and Land Use Approvals
- Competitive Bidding Requirements
- Energy Efficiency  
Proposals involving construction of new housing are expected to contain descriptions of specific measures that will be taken to make the units energy efficient. Examples of energy efficient measures include, but are not limited to, solar photovoltaic panels; dual glazed, low-e windows; water efficient appliances; Energy Star rated appliances; durable building products, solar assisted water system; or water efficient landscape irrigation. Rehabilitation projects should also propose to increase energy efficiency or energy savings in the housing project by at least 20%. An Energy Efficiency-Based Utility Allowance (EEBUA) schedule is available to qualified projects. Contact HCD staff for more information.
- Environmental Review and Hazardous Waste Assessment
- Equal Opportunity
- Lead-Based Paint Compliance
- Appraisal & Review Appraisal  
An appraisal must meet the definition of an appraisal found at 49 CFR 24.2(a)(3) and the URA provisions at 49 CFR 24.103.
- Management Plan
- Match Requirements for HOME Funds
- Minimum Organization Standards for Nonprofit Developers
- Minority and Women's Business Enterprise (MWBE) -Contracting Requirements

- Prevailing Wage Rates/Davis Bacon

Generally, the use of public funds in housing development initiates compliance with the Davis Bacon Act and requires payment of Federal Labor Wage rates or State Prevailing Wages to construction workers. Applicants must use these lawful wage rates in the calculation of development expense. HCD may assist developers in acquiring wage rate determinations.

- Priorities and Underwriting Criteria

- Maximum Loan-to-Completion-Value Ratio: 100%
- Minimum Property Debt Coverage Ratio: 1.05
- Purchase Price of Proposed Development Site Not to Exceed Appraised Value

- Physical Needs Assessment

Proposals involving rehabilitation or acquisition/rehabilitation must contain specific information on the physical condition of the structure(s), as well as the estimated cost for the rehabilitation work, and may require testing of major building systems. A physical need assessment conducted by a third party must be submitted for proposals involving rehabilitation activities.

- Acquisition and Relocation Requirements – subject to the Uniform Acquisition and Relocation Act of 1970 (URA) as revised and Section 104(d) of the Housing and Community Development Act of 1974, as amended.
- Replacement Reserve Analysis
- Section 3 Requirements (see <http://www.hud.gov/offices/fheo/progdesc/emp-lowr.cfm>)
- Site Control
- Timeline for Closing and Loan Disbursement of Funds

## PROPOSAL REVIEW

Initial proposals are subject to preliminary review for completeness. HCD staff will review all proposals containing the required items. Applicants submitting incomplete or ineligible proposals will be so notified. The selection procedure will include evaluation of proposal financing demonstrated in the NOFA Application and the development pro formas submitted by the developer. A determination will also be made concerning the consistency of the proposal with the strategy and priorities developed by the County of San Diego for the use of HOME and CDBG Program funds. Funded proposals must comply with the regulations of the HOME and CDBG programs.

Following the above review, an HCD staff committee will consider the application and HCD staff comments. Based on the committee review, the Community Development Division Chief will then make recommendations to the Director of HCD for County Board of Supervisors consideration.

## REQUIREMENTS FOR SUBMITTAL

To be responsive, a complete NOFA Application must contain the following items:

### **HCD NOFA Application (pages 16-73)**

**Development Forms: Rental Income Form, Operating Expense, Development Cost, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma.** The estimated Rental Income form will be used to determine financial feasibility and affordability of the project (use **Attachment B, E and F** to make the necessary calculations). Proposals with high levels of affordability will be favored. HOME Program regulations require the number of HOME-restricted units in a development be at least proportional to the amount of HOME funds invested when compared to the total development cost. Please contact Tom D'Lugo by phone or via E-mail at [Tom.Dlugo@sdcountry.ca.gov](mailto:Tom.Dlugo@sdcountry.ca.gov) for any questions on the required development forms.

### **Affordability**

**Attachment F** outlines income eligibility levels as well as affordable rent limits. Preference will be given to those projects with the greatest number of units at the lowest possible rents.

- Housing units are "affordable" when housing expenses, including an adjustment for utilities, are no more than thirty percent of adjusted household income.
- "Extremely Low-income" households are defined here as households whose adjusted household income is at or below 30 percent of area median income (AMI).
- "Low-income" households are defined here as households whose adjusted household income is between 31 and 50 percent of area median income (AMI).
- "Moderate-income" households are defined here as households whose adjusted household income is between 51 and 80 percent of AMI.
- "Median income" is defined and published periodically by the United States Department of Housing and Urban Development (HUD) for the San Diego Standard Metropolitan Statistical Area. Currently, the median household income for a family of four is \$74,900.

### **Articles of Incorporation and By Laws**

#### **Audited Financial Statements**

Submitted audited financial statements must be current within the last 12 months, and must include a Financial Statement indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses, and the amounts of any fiscal reserves. (Such audit shall be prepared in accordance with the requirements of the County, certified by an independent certified public accountant licensed in California or other accountant acceptable to the County).

In accordance with Office of Management and Budget OMB Circular A-133, any non-federal entity, including States, Local Governments, and Non-Profit Organizations, that expend \$500,000 or more in a year in Federal awards shall have an OMB Circular A-133 single audit conducted for that year. (See <http://www.whitehouse.gov/omb/circulars/a133/a133.html>)

If applicable, provide a copy of the OMB Circular A-133 audit and written notification of the results of the OMB Circular A-133 audit. In addition, in compliance with all Federal requirements provide

HCD with the corrective action plan for any deficiencies identified in the OMB Circular A-133 audit and the latest status of the corrective action plan.

### **Board Resolution**

An applicant must submit a resolution of its Board of Directors authorizing the submittal of a proposal and identifying who is authorized to execute documents. (Use **Attachment K**)

### **Certifications:**

- For CBDOs, a copy of CBDO certification
- For CHDOs, a copy of CHDO certification
- For Nonprofit Organizations-proof of 501(c)(3) status and an up-to-date roster of the applicant's board of directors.

### **Community Review and Land Use Approvals**

Applicants must have all applicable local land use approvals at the time of NOFA submittal or must present a reasonable plan and timeline detailing how the developer will obtain any discretionary approvals for the project. Examples of such approvals include, but are not limited to, general plan amendments, rezonings, and conditional use permits. Local land use approvals not required to be obtained at the time of application include design review, Phase I Environmental study, variances, and development agreements.

Whether or not discretionary permits are necessary, applicants submitting proposals involving new construction, acquisition, or change of use **must present the proposal to the appropriate Community Planning/Sponsor Group and request their vote on the project, prior to submittal of the NOFA application.** The application must document the Planning/Sponsor Group's response to the presentation and/or vote on the proposal, if one was taken.

### **Consistency with the FY 2005-2010 County of San Diego Consortium Consolidated Plan**

Applicants are required to demonstrate that their project is consistent with the current HUD-approved Consolidated Plan for the County of San Diego, and if applicable, for the jurisdiction where the project is located.

### **Crime-Free Multifamily Housing Program**

Proposals must contain an element designed to provide Crime-Free Multifamily Housing in apartment complexes within the Urban County. This provision is included in order to ensure a crime free environment for residents. It would provide special services in apartment developments to decrease all types of illegal activities, and would include an educational component for owners and renters, physical inspections to improve lighting and landscaping, and information sharing to establish neighborhood identity. These services are supported by the County Sheriff's Department Crime-Free Multifamily Housing program. Through the Community Oriented Policing and Problem Solving Unit, the Sheriff provides informational sessions on how to cut crime in multifamily neighborhoods. Expenses associated with the Crime-Free Multifamily Housing Program for the proposed project should be covered in the project budget. An outline of the project's Crime Free Housing Program must be submitted with the application. In addition, a full description of the project's crime free program must be included in the Management Plan.

## **Developer's Disclosure Statement**

Use **Attachment H**. Applicants must identify the individual(s) authorized to negotiate on behalf of the developer and identify members of the development team. Include the credentials of the development team members.

## **Evidence of Compliance with Previous HCD Loans (Use Attachment I)**

### **Evidence of Funding Commitments**

Letters of intent from other lenders must include the name, title, and telephone number of the responsible contact person. HCD must be advised if Applicant will be requesting that HCD subordinate financial interests. HCD will require other lenders on this project to subordinate to the County's regulatory restrictions.

### **Evidence of Site Control**

Applicants must possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, leasehold with development provisions, or any other enforceable instrument as approved by HCD.

### **Phase I Hazardous Waste Assessment**

A housing development proposal (acquisition, rehabilitation, or new construction) must have, at a minimum, an approved Phase I Hazardous Waste Assessment Report. This report is to be submitted with the NOFA application. A hazardous materials (asbestos, lead paint) inspection report may also be required. In addition, testing for asbestos, residual pesticides, mold, and water damage may be required. In certain situations, a Phase II and Phase III Environmental Assessment may be necessary. Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. Please note that additional expenses may be incurred in preparing these required reviews. The NOFA applicant is responsible for these costs.

### **Location map, site plan, floor plan, photos**

### **Appraisal**

#### **Member Appraisal Institute (MAI) Appraisal**

An Appraisal Report, prepared by an MAI designated member of the Appraisal Institute, is required for all acquisition, rehabilitation and new construction projects.

An appraisal must determine both the "as-is" and "after-rehab" values of the development. Appraisals can take several weeks to complete, so do not delay this requirement. New construction applicants are required to submit a land-only and an "as-built" appraisal, along with market studies to assist HCD in establishing value.

A review appraisal, in accordance with 49 CFR 24.104 of the Uniform Relocation Act, will be required for an "Involuntary Acquisition."

### **Match Requirements**

HOME funds require a 25 percent match for acquisition, substantial or moderate rehabilitation activities, and new construction.

## **Minimum Organization Standards for Nonprofit Developers**

Nonprofit applicants for HCD loans must provide certification of the following organization standards:

- A minimum of four directors establishes a quorum for conducting organization business;
- The organization conducts quarterly board meetings;
- Quarterly financial statements are reviewed by the board of directors; and,
- The executive director and other paid staff do not serve as voting board members.

## **Partnership Agreement (if applicable)**

### **Project Location**

Projects must be located within the jurisdiction of the Urban County of San Diego or serve residents of the Urban County. The following areas are eligible:

- Unincorporated Area of the County of San Diego;
- City of Coronado;
- City of Del Mar;
- City of Imperial Beach;
- City of Lemon Grove;
- City of Poway;
- City of Solana Beach.

Affordable housing activities located outside the eligible areas outlined above may be considered only for those proposals, which clearly demonstrate a benefit to “special needs” residents of the Urban County. In addition, there must be a substantial local contribution by the local jurisdiction involved and a proportional sharing of affordable housing credits. Local jurisdiction’s commitment for funding should be evidenced at the time the application is submitted.

### **Physical Needs Assessment**

Proposals involving rehabilitation or acquisition/rehabilitation must contain specific information on the physical condition of the structure(s), as well as the estimated cost for the rehabilitation work, and may require testing of major building systems. A Physical Need Assessment (PNA) conducted by a third party must be submitted for proposals involving rehabilitation activities. The PNA must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years and the estimated cost for the rehabilitation work. Applicants are encouraged to obtain a PNA prior to making a final offer for purchase of a property.

To avoid delays, applicants must provide a termite report for any acquisition project. In addition, testing for asbestos, residual pesticides, mold, and water damage may be required.

NOTE: Proposals involving buildings constructed prior to 1978 may be adversely affected by strict regulations requiring the remediation/removal of lead-based paint and asbestos-containing building materials, making rehabilitation of older buildings infeasible in some cases.

### **Relocation Plan**

NOFA applications involving relocation of residents shall include an anti-displacement/relocation

plan in compliance with relocation laws. Developers are strongly encouraged to contract with a relocation consultant to manage their relocation process. Either the California Relocation Assistance Act or Uniform Acquisition and Relocation Act of 1970 (URA) as revised and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all tenant relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must also include a current copy of rent rolls, as of the date of submission, detailing family income, household characteristics, and current rent paid by each household in the proposed project.

### **Replacement Reserve Analysis**

An adequate 15-year replacement reserve analysis will identify the current condition of all building elements in the development (the roof, plumbing, exterior, interior etc.) and indicate repairs, which require immediate attention. The analysis should indicate the year built, the expected useful life of the system, the remaining life expectancy and the year requiring replacement. The analysis should indicate the estimated annual expenditures required to maintain the property and provide a funding plan summarizing the annual replacement reserve contribution necessary to meet future expenditure requirements.

### **Schedule and Analysis of Real Estate Owned (Use Attachment M)**

### **Tax Credit Application with date of submission (if applicable)**

### **Tenant Characteristics Form**

If the proposed development is currently occupied, a Tenant Characteristics Form is required to determine the extent of relocation. Use **Attachment J**.

### **Timeline for Loan Closing and Disbursement of Funds**

Time is of the essence to expend committed funds. Upon approval of an HCD loan commitment, funds will be reserved for the project for a maximum of one year. In extraordinary circumstances, requests for time extensions may be approved if accompanied by appropriate justification. HCD, in its sole discretion, may approve or deny such requests.

Recipients will be required to execute a loan agreement, promissory note, deed of trust, regulatory agreement, and other related loan and construction documents. **Expenses incurred prior to execution of the loan documents will not be eligible for reimbursement.** Loan funds will not be disbursed until the loan is closed through escrow and, if the proposal includes relocation of residents or businesses, the developer's relocation consultant has submitted a Relocation Plan and has issued all appropriate Uniform Relocation Act Required Notices and any other informational requirements to all existing tenants. Loan funds will be disbursed for work completed following HCD approval in a form prescribed by HCD. Verifiable documentation of expenses must be submitted with all payment requests.

The County of San Diego reserves the right to reallocate funds from one approved project to another or to a new activity, or to cancel fund reservations at its discretion, if projects are not proceeding satisfactorily (in the sole opinion of County) towards commencement of the proposed activity. In addition, the Director of HCD is authorized to negotiate and execute all contracts within 12 months of approval by the Board of Supervisors or the Housing Authority Board of Commissioners, and to take all necessary actions for the submittal and/or regulatory processing for the implementation of affordable housing projects.

## REQUIREMENTS FOR BOARD CONSIDERATION

Once a proposal is approved by HCD staff as eligible and complete, the following items are needed prior to Board of Supervisors consideration of the proposal. (It is preferred that applicants submit the following items with the application, although they may be submitted anytime prior to Board consideration of the proposal.)

### **“As-Built” Appraisal for New Construction Proposals**

In addition to the land-only appraisal required for new construction proposals, an “as-built” appraisal will be required for new construction proposals.

### **Certificate of Compliance with the HCD Equal Opportunity Program**

It is the policy of the Department to encourage equal opportunity in contracts. Toward this end, proposals from disabled veteran-owned businesses, women-owned businesses, firms owned by African-Americans, American Indians, Asian Americans, Filipinos, Latinos, and local firms are strongly encouraged. Prime contractors are encouraged to subcontract or joint venture with these firms. HCD endeavors to do business with firms sharing HCD’s commitment to equal opportunity and will not do business with any firm that discriminates on the basis of race, religion, ancestry, age, gender, disability, medical condition or place of birth. Use **Attachment L**.

### **CEQA Documentation**

Proposed projects must complete the California Environmental Quality Act (CEQA) environmental review. County staff will assist with preparation of CEQA documentation and a completed review must be submitted no later than the date of Board consideration of the proposal. HCD staff will keep applicants apprised of the progress of the environmental processing and anticipated date of HUD's release-of-funds.

### **Relocation Noticing**

Upon submission of the NOFA application, tenants must receive a written General Information Notice, notifying tenants of their rights under the Uniform Relocation Act, as revised. New rental applicants to the proposed project must also receive a written notification “Notice to Prospective Tenant” informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Developer must document the manner of delivery and provide proof of receipt. Please contact HCD staff at (858) 694-8741 for more information.

## REQUIREMENTS FOR FUNDING

Once the Board of Supervisors approves the development, the applicant must submit the following items prior to funding.

### **Affirmative Fair Housing Marketing Plan**

For housing development projects, the contractor must submit an Affirmative Fair Housing Marketing Plan (AFHMP) for review and approval by HCD. The AFHMP shall outline methods of informing potential tenants about fair housing laws and contractor policies. An AFHMP must also contain a description of what the contractor will do to affirmatively market assisted units. In addition, an AFHMP must contain a description of what the contractor will do to inform persons not likely to apply for housing without special outreach. To request a model AFHMP contact Bonnie Petrach by email at [Bonnie.Petrach@sdcountry.ca.gov](mailto:Bonnie.Petrach@sdcountry.ca.gov) or call (858) 694-8740.

## **Copies of Senior Loan Documents**

### **Environmental Review**

From the time the application has been submitted, the contractor must not commit funds or take any choice limiting actions (including, but not limited to, contracts for, excavation, filling, construction, rehabilitation, or other physical activities) until completion of the environmental processing and HUD's formal Release-of-Funds, regardless of whether the work would be accomplished with federal funds or other matching funds. Failure to comply will jeopardize the availability of HUD funds for the project. An environmental review must be completed before County HCD will execute a contract. County HCD staff conducts this review using information provided in the application. Refer to "Environmental Review Processing" in **Attachment D** for further information on environmental processing.

### **General Liability Insurance**

Funding recipients will be required to obtain comprehensive general liability insurance with the County of San Diego named as an additional insured. Also required is property insurance in an amount equal to 100 percent of the replacement cost of the structure, with a lender's loss payable endorsement in favor of the County of San Diego. The general contractor for the project must obtain comprehensive general liability insurance with the County of San Diego named as an additional insured. There may be additional insurance requirements, at the discretion of the County Risk Manager, depending on the complexity and scope of the proposed project. (See **Attachment N** for standard County Insurance requirements).

### **Lender's Insurance Policy**

A California Land Title Association (CLTA) or an American Land Title Association (ALTA) policy insuring the County of San Diego is required.

### **Management Plan**

The developer will be required to submit a Management Plan for review and approval by County HCD. The applicant's attention is called to HOME Program Regulations 24 CFR 92.253, which require certain tenant and participant protections for all rental housing funded by the HOME Program and to the HCD requirement for a crime-free element in the Management Plan. Also required is a copy of the sample lease agreement and any addenda. (Use the Checklist in **Attachment P**)

### **Payment and Performance Bond**

Prior to execution of the loan documents for construction or major rehabilitation, funding recipients will be required to file with the County two surety bonds: a payment bond in an amount equal to one hundred percent (100%) of the Construction Contract cost, as determined from the prices in the bid form; and, a performance bond in an amount equal to one hundred percent (100%) of the Construction Contract cost, as determined from the prices in the bid form.

### **Preliminary Title Report**

# **NOFA Application**

## APPLICATION CHECK LIST

Please complete the following checklist and submit this form with the application.

All pages 8.5 x 11 inches

One master copy and one copy; both signed, in binders.

### General Requirements for Submittal

- NOFA Application (pages 16-73)
- Development Forms (Rental Income Form, Operating Expense, Development Cost, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma)

### ATTACHMENTS:

- Articles of Incorporation and By Laws
- Audited Financial Statements/Single Audit (less than 1 year old)
- Board Resolution
- Certifications:
  - For CBDOs, a copy of CBDO certification
  - For CHDOs, a copy of CHDO certification
  - For nonprofit organizations, proof of 501(c)(3) status and an up-to-date roster of the applicant's board of directors.
- Community Review Documentation
- Crime Free Multifamily Housing Element
- Developer Disclosure Statement
- Evidence of Compliance with Previous HCD Loans
- Evidence of Funding Source Commitments
- Evidence of site control
- Hazardous Waste Assessment
- Location map, site plan, floor plan, photos
- Appraisal, less than 3 months old (for new construction proposals- submit the land-only appraisal and market studies)
- Partnership Agreement (if applicable)
- Physical Needs Assessment (including any required testing of major building systems that may be required)
- Relocation Plan and Relocation Contract
- Replacement Reserve Analysis
- Schedule and Analysis of Real Estate Owned
- Tax Credit Application with date of submission (if applicable)
- Tenant Characteristics Form
- Project Timeline

The following requirements need not be submitted with the initial NOFA application. However, the applicant is encouraged to submit available documentation for the requirements below.

### Requirements for County Board of Supervisors Consideration

- "As-Built" Appraisal for New Construction proposals
- Certificate of Compliance with HCD Equal Opportunity Program
- CEQA Environmental Review (if applicable)
- Testing for asbestos, lead and residual pesticides (If applicable)
- Relocation Noticing (if required)

### Requirements for Funding

- Affirmative Fair Housing Marketing Plan
- Copy of Senior Loan Documents
- Environmental Review
- General Liability Insurance
- Lender's Insurance Policy
- Management Plan
- Payment and Performance Bond
- Preliminary Title Report

The proposal and its submittals have been reviewed for completeness using the checklist above.

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Project Summary:**

Project Name:	
Name of Applicant:	
Applicant Address:	
Contact Name:	
Phone:	Fax:
Email:	
Organizational Status (Check all that apply):	
<input type="checkbox"/> Nonprofit <input type="checkbox"/> CHDO/CBDO <input type="checkbox"/> Private Entity <input type="checkbox"/> Public Entity	
Project Address:	
Assessor's Parcel Number (APN):	
Amount of HCD Funds Requested:	
Number of Units:	
Number of Bedrooms:	
Total Project Cost:	
Total Per Unit Cost:	
Total Per Bedroom Cost:	
Total HCD Subsidy Per Restricted Unit:	
Total HCD Subsidy Per Restricted Bedroom:	
Percentage of Area Median Income of Restricted Units	At or below 50% AMI _____
Estimated Rent Range per unit (Use Attachment B and F):	Market Rents (from appraisal):
1 Bedroom	
2 Bedroom	
3 Bedroom	
4 Bedroom	
Other (specify)	
Number of Currently Occupied Units:	
Income Level of Current Households:	
Number of Potential Relocation Households:	
Expected Date of:	
Acquisition:	
Rehabilitation/Construction:	
Occupancy:	

## **General Project Information**

### **Attach pages as necessary to describe the following:**

All acquisition, rehabilitation, and/or new construction projects should include a map, preliminary site plan, photos, and floor plans of housing units.

Provide a detailed description of the existing site and the proposed project. In addition, address the following questions, as appropriate:

- (1) Will the project require the relocation of any households or businesses? If so, describe the circumstances and attach a relocation plan and relocation consultant contract to the application.
- (2) How accessible is the project to public transportation, concentrated areas of job opportunities, convenience shopping, food shopping, public schools, etc.?
- (3) Describe the availability of, and accessibility to, medical care (e.g. - emergency, outpatient, acute, and extended care) and social services that are commonly needed for the type of residents to be served the project.
- (4) How will the project not overly concentrate low-income housing in the community?
- (5) How the project is consistent with the project site zoning and the community's General Plan?
- (6) Describe all Community Planning/Sponsor Group action related to this project.
- (7) List all necessary land use, zoning, and building plan approvals and their status.

Address the following questions, as appropriate:

- (1) How will the project maintain, increase, or improve housing affordability or the provision of services? What service(s) will be provided and how will they be provided?
- (2) Are there other housing developments, facilities, or services that address the same need in the area?
- (3) How will the project promote the coordinated delivery of housing and/or support services?
- (4) If the project will be offering services to non-residents, how will you assure that all areas served have access to the services?
- (5) How will the project empower families and individuals toward greater self-sufficiency?

Include an outline of the project's Crime Free Multifamily Housing Program.

## **Targeting**

### **Attach pages as necessary to describe the following:**

"Low-income households" encompasses both individuals and families.

Housing serving families, senior households or special needs populations will be given particular consideration in the rating of proposals. In addition, housing applications that include amenities for youth are encouraged.

The County of San Diego, Health and Human Services Agency provides a detailed description of the services they provide and the populations they serve on their website at: <http://www.co.san-diego.ca.us/cnty/cntydepts/health/>.

Below are definitions of special needs and disabled populations:

“Special needs” populations include disabled households, agricultural workers, victims or survivors of domestic or physical abuse, homeless persons or persons at risk of becoming homeless, frail elderly, chronically ill persons including those with HIV/AIDS, displaced teenage parents (or expectant teenage parents), emancipated foster youth and individuals exiting from institutional settings.

“Special needs” populations also include persons in need of “safe housing”: the provision of a sober living environment for recovering parents undergoing substance abuse treatment along with their children.

“Disabled” households is defined as a household in which a member is suffering from an orthopedic disability impairing personal mobility or a physical disability affecting his or her ability to obtain employment, or in which a person requires special care or facilities in the home; an individual or a household in which a member suffers from a developmental disability or a mental disorder which would render him or her eligible to participate in programs of rehabilitation or social services conducted by or on behalf of a public agency.

Indicate the number of units targeted for the categories indicated in the table below:

Population Served	Large Families (3 or more bedrooms)	Small Families (2 or fewer bedrooms)	Seniors	Special Needs	Mobility and/or sensory impaired
No. of Units					

**Note: Total of units listed in categories above may exceed the total number of units in the development.**

**Applicant Experience**

**Attach pages as necessary to describe the following:**

**A. Organization**

Describe the following for the organization:

1. Mission Statement
2. Past activities/experience
3. Administrative structure

**B. Technical Capacity**

1. Describe the organization’s capability to administer the housing development proposed.
2. Describe the development team’s experience in rehabilitation, construction, and/or management and ownership.
3. Attach resumes of staff and consultants specifically assigned to this development and describe contractual relationship.

\_\_\_\_\_ Number of rental housing developments/units completed.

\_\_\_\_\_ Number of rental housing developments/units currently owned.

\_\_\_\_\_ Number of rental housing developments/units currently managed.

\_\_\_\_\_ Number of rental housing developments/units in development phase (funding committed but not ready for occupancy)

- C. In accordance with Board Policy B-39a, all recipients must adopt a policy to ensure that every effort is made to provide equal opportunity to Disabled Veterans Business Enterprises (DVBEs) and to encourage the participation of minority and women business vendors, contractors, and subcontractors. Attach the adopted Policy.

### **Financial Feasibility**

#### **Attach pages as necessary to explain the following:**

Describe other funding sources and their terms, and the status of those commitments to the proposed development. HCD must be advised if Applicant will be requesting that HCD subordinate financial interests and /or regulatory agreements to other lenders or loans on this project.

Discuss measures to be taken to promote energy efficiency in the proposed development. An Energy Efficiency-Based Utility Allowance (EEBUA) schedule is available to qualified projects. Please indicate if you plan to utilize the Energy Efficiency-Based Utility Allowance schedule.

Describe any in-kind contributions to the project. Include the name(s) of the contributors, the items or services that are being contributed and the value of the contribution.

Describe a plan for repayment of this requested amount.

If funding for the proposed project is in part dependent upon the award of the State of California Low Income Housing Tax Credit Program or one of the State of California, Department of Housing and Community Development, housing programs, describe how the project will be implemented in the event State funding is denied. Be specific as to amount, sources, likelihood, and timing of alternative funding, as well as how the project will be scaled down, if necessary.

### **Collaboration & Site Amenities**

#### **Attach pages as necessary to explain the following:**

Describe the extent to which the proposed development will involve other community organizations.

Describe any amenities or programs that may be beneficial to the development's residents.

### **Innovation**

#### **Attach pages as necessary to explain the following:**

Describe the extent to which the proposed development involves a new or innovative approach (either physical, financial, or managerial) to meet the housing needs of very low-income and low-income residents.

**Certification**

**The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.**

Authorized Signature [Board Officer]

Typed Name

---

Title

Date Signed

---

Return one original and one signed copy of the NOFA General Application, Attachments and NOFA Supplement to:

**Department of Housing and Community Development  
County of San Diego  
Attn: Community Development Division  
3989 Ruffin Road  
San Diego, CA 92123-1890**

**NOFA ATTACHMENTS**

## **ATTACHMENT A** **FUNDING SOURCES**

### Community Development Block Grant Program Summary Statement

The Community Development Block Grant Program (CDBG) is a federal block grant program created by Congress. CDBG-funded projects must provide an appropriate benefit to Urban County residents, as well as satisfy one of three national program objectives: (1) Provide a benefit to low and moderate income persons; (2) Prevent or eliminate slums and blight; or (3) Meet needs having a particular urgency. The County of San Diego Board of Supervisors allocates the County's CDBG entitlement to various expenditure categories during the strategy public hearing. With regard to the CDBG regulations on housing development, acquisition and rehabilitation are explicitly stated as eligible activities. However, other types of housing activities, such as new construction or pre-development activities are only eligible when carried out by a Community-Based Development Organization (CBDO). CBDO's are defined in the CDBG regulations at 24 CFR 570.204. For more information, please see: [http://a257.g.akamaitech.net/7/257/2422/12feb20041500/edocket.access.gpo.gov/cfr\\_2004/aprqrtr/pdf/24cfr570.204.pdf](http://a257.g.akamaitech.net/7/257/2422/12feb20041500/edocket.access.gpo.gov/cfr_2004/aprqrtr/pdf/24cfr570.204.pdf) or contact HCD staff at (858) 694-8724.

### HOME Investment Partnerships Program Summary Statement (HOME)

Authorized under the National Affordable Housing Act of 1990, HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds can be used for the construction/acquisition/rehabilitation of rental housing, homebuyer assistance, tenant-based rental assistance (including rental assistance for victims of domestic violence), and owner-occupied rehabilitation. As required in section 92.218 of the HOME regulations, any HOME funds expended require a 25 percent match. In addition, HOME Program regulations require that fifteen percent of HOME Program funds be set aside for Community Housing Development Organizations (CHDOs). CHDO's are defined in the HOME regulations at 24 CFR 92.2 (Definitions). For more information, please see <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/home/suba/922.cfm> or contact HCD staff at (858) 694-8741. The remaining HOME funds are available to government agencies or jurisdictions, nonprofit organizations, and private developers. *See attached HOME Program Highlights Attachment B.*

## ATTACHMENT B

### HOME PROGRAM BASICS

This information is highly abridged and is applicable only to this NOFA. Applicants are responsible for reviewing and adhering to the complete Home Investments Partnership Program Regulations at: 24 CFR 92  
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

### HOME -ASSISTED UNITS

**Only units receiving HOME funds are considered "HOME-assisted units." HOME per unit subsidy limits, rent limits, and HOME occupancy requirements apply only to "HOME-assisted units."**

### HOME SUBSIDY LIMITS

- A. Minimum HOME funds - \$1,000 per HOME-assisted unit.
- B. Maximum HOME funds are limited by THE LESSER OF:
  - 1. HOME assistance cannot exceed the (HUD 221(d) (3) which limits the maximum subsidy amounts per HOME unit:

Bedrooms Size	Maximum HOME Subsidy Per Unit (as of January 2009)
0 Bedrooms	\$126,869
1 Bedrooms	\$145,433
2 Bedrooms	\$176,846
3 Bedrooms	\$228,780
4+ Bedrooms	\$251,131

- OR** 2. HOME assistance per unit may not exceed the development cost per unit. This prevents HOME funds from subsidizing non-HOME-assisted units, which are not under HOME occupancy and rent controls. HOME projects may not receive more subsidy than what is required to produce financially feasible projects.

### HOME AFFORDABILITY REQUIREMENTS

HOME-assisted units must be affordable at initial occupancy and over an established "affordability period."

### OCCUPANCY REQUIREMENTS FOR HOME ASSISTED UNITS

HOME-assisted units must be initially occupied by families who have annual incomes that are 60% or less of San Diego's Area Median Income. In projects of five or more units, at least 20% of the HOME-assisted units must be occupied by families who have annual incomes that are 50% or less of San Diego's Area Median Income. See **Attachment F** for income limits.

## MAXIMUM INITIAL RENTS FOR HOME ASSISTED RENTAL UNITS

Every HOME-assisted unit is subject to rent controls called "HOME rents." For properties of five or more units, there are two HOME rents established for every project: "High HOME rents" and "Low HOME rents." Refer to Home Investments Partnership Program Regulations at 24 CFR 92.252 for a full definition. For a full description, please refer to the HUD website at <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/home/subf/92252.cfm>.

Note: the charts below (which discuss home program "high home rents" and "low home rents") are for gross housing costs, from which utility allowances must be subtracted to calculate net rent to owner. See **Attachment E** for the current utility allowances.

**A. "High HOME Rents"**-all of a project's HOME-assisted units must have rents not higher than the **LESSER OF:**

1. "HUD-published Fair Market Rents" for existing housing in the area minus tenant-paid utilities  
**OR**
2. "HUD-published HOME rents" which are 30% of income (adjusted for family size) for households at 65% of area median income, minus tenant-paid utilities.

<b>"HIGH HOME RENTS":</b> For all HOME-assisted units use the lesser of rows A1 or A2 <i>(as of March 2009)</i>	<b>0 Bd</b>	<b>1 Bd</b>	<b>2 Bd</b>	<b>3 Bd</b>	<b>4 Bd</b>	<b>5 Bd</b>
A1. "HUD-Published Fair Market Rents" = <b>Minus Utilities Deduction from Attachment E=</b> Net Rents After Subtracting Utilities Deduction	\$945	\$1082	\$1324	\$1883	\$2326	\$2674
A2. "HUD-Published HOME Rent" @65% of Median Income Limit = <b>Minus Utilities Deduction from Attachment E=</b> Net Rents After Subtracting Utilities Deduction	\$920	\$987	\$1187	\$1362	\$1500	\$1637

**B. "Low HOME Rents"**-for properties with five or more HOME-assisted units at least 20% of a project's HOME-assisted units must have rents no greater than:  
"HUD-published HOME rents" which are 30% of adjusted (for family size) income for households at 50% of area median income, minus tenant-paid utilities. However, if this rent is higher than the applicable rent under "A," then the maximum rent for these units shall be the rent calculated under part "A."

<b>"LOW HOME RENTS":</b> <i>(as of February 2008)</i>	<b>0 Bd</b>	<b>1 Bd</b>	<b>2 Bd</b>	<b>3 Bd</b>	<b>4 Bd</b>	<b>5 Bd</b>
"HUD-Published HOME Rent" @50% of Median Income Limit= <b>Minus Utilities Deduction from Attachment E=</b> Net Rents After Subtracting Utilities Deduction	\$722	\$774	\$928	\$1073	\$1197	\$1321

**C.** Based on future HUD calculations, "HOME rents" may increase or decrease over the required affordability term. HOME rents could decrease but project rents are not required to fall below the HOME rent limits in effect at the time of project commitment.

## **HOME ASSISTED UNIT RESTRICTIONS:**

- The affordability period for HCD projects is 55 years.
- Tenant incomes and rents are strictly controlled during affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet the HOME income requirements.
- The rent and occupancy restrictions will be incorporated into a regulatory agreement and will bind the project for the full term of the regulatory agreement regardless of prepayment, sale or transfer.

## **PROPERTY INSPECTIONS REQUIREMENTS**

**Projects must be inspected throughout the affordability period to ensure that the units are decent, safe and sanitary. Projects with one to four HOME units must be inspected every three years; projects with five to twenty-five HOME units must be inspected every two years; projects with twenty-six HOME units or more must be inspected every year.**

## **LOW INCOME TAX CREDIT AND HOME UNDER THIS NOFA**

The low income housing tax credit is an annual reduction in federal tax liability for ten years for owners and investors in low-income rental housing; it is based on the development cost and the number of low-income units. Owners of low-income housing projects may benefit from tax credits by exchanging the tax credits with limited partner investors for cash equity contributions. These equity contributions may be substantial and can reduce the amount of financing needed to acquire or develop the project, or add an income stream during the years of the project's operation, thereby reducing the rent tenants must pay for the project to operate.

Rents: Qualified Low Income Housing Tax Credit (LIHTC) units must not exceed LIHTC rent limits. HOME assisted units must meet High and Low HOME rent requirements.

*Combining HOME and tax credit affects rental properties in various complex ways and developers are urged to consult an expert prior to submitting their proposal.*

**ATTACHMENT C  
PROJECT TIMELINE**

Project Title: \_\_\_\_\_ Applicant: \_\_\_\_\_

<b><u>Item</u></b>	<b><u>Projected Date of Completion</u></b>
<b>SITE</b>	
Environmental Review Completed	_____
Site Acquired	_____
<b>LOCAL PERMITS</b>	
Conditional Use Permit	_____
Variance	_____
Site Plan Review	_____
Grading Permit	_____
Building Permit	_____
<b>CONSTRUCTION FINANCING</b>	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
<b>PERMANENT FINANCING</b>	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
<b>OTHER LOANS AND GRANTS</b>	
Type and Source: _____	_____
Application	_____
Closing or Award	_____
Funds Available	_____
<b>OTHER LOANS AND GRANTS</b>	
Type and Source _____	_____
Application	_____
Closing or Award	_____
Funds Available	_____
<b>OTHER LOANS AND GRANTS</b>	
Type and Source _____	_____
Application	_____
Closing or Award	_____
Funds Available	_____

**OTHER LOANS AND GRANTS**

Type and Source \_\_\_\_\_  
Application \_\_\_\_\_  
Closing or Award \_\_\_\_\_  
Funds Available \_\_\_\_\_

**OTHER LOANS AND GRANTS**

Type and Source: \_\_\_\_\_  
Application \_\_\_\_\_  
Closing or Award \_\_\_\_\_  
Funds Available \_\_\_\_\_

**OTHER LOANS AND GRANTS**

Type and Source: \_\_\_\_\_  
Application \_\_\_\_\_  
Closing or Award \_\_\_\_\_  
Funds Available \_\_\_\_\_

**10% OF COSTS INCURRED**

Construction Start \_\_\_\_\_  
Construction Completion \_\_\_\_\_  
Placed In Service \_\_\_\_\_  
**Occupancy of All Low-Income Units** \_\_\_\_\_

**ATTACHMENT D**  
*PERTINENT REGULATORY REQUIREMENTS*

Numerous federal, state and local laws, regulations and/or executive orders apply to CDBG/HOME funded activities. These are referenced within a Program “Certifications” form, which are signed and submitted each year by the grant recipient (County of San Diego) to the U.S. Department of Housing and Urban Development (HUD). It states that the County will comply with all regulatory requirements. Copies can be procured from HUD.

The following miscellaneous listing is provided to clarify requirements that have sometimes been overlooked or misunderstood, leading to regulatory violations.

THIS IS NOT A COMPLETE LISTING OF PROGRAM REQUIREMENTS.

1. Affordability

All County-assisted rental housing units must be affordable, at the initial point of eligibility, to households at or below 60% of the area median income (AMI). For projects with five or more HOME restricted units, at least 20% of the HOME rental units must be affordable to households at or below 50% of the area median income. *See Attachment F for these income limits and Attachment B for HOME Program Highlights.*

2. Environmental Review Processing

Prior to the formal commitment of any funds, all funded projects must be processed in accordance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) requirements. These regulations examine the impact of land development on the environment. In addition, federal assistance carries with it environmental review responsibilities to determine hazards which may impact a proposed CDBG or HOME project and its residents/clients, such as noise impacts.

From the time the application is submitted, the contractor must not commit funds or take any choice limiting actions (including, but not limited to, contracts for excavation, filling, construction, rehabilitation, or other physical activities) until completion of the environmental processing and HUD’s formal release-of-funds, regardless of whether the work would be accomplished by federal funding or other matching funds.

San Diego County Environmental Services staff will complete the NEPA review for all Urban County projects. They will also complete the CEQA review for projects located in the unincorporated parts of the County. Projects located in any of the six cities within the Urban County must involve the local jurisdiction in the CEQA review process. HCD staff will keep applicants apprised of the progress of environmental processing and the anticipated date of HUD's release-of-funds.

3. Hazardous Waste Assessment

A housing development proposal (acquisition, rehabilitation, or new construction) must have, at a minimum, an approved Phase I Hazardous Waste Assessment Report. This report is to be submitted with the NOFA application. A hazardous materials (asbestos, lead paint) inspection report may also be required. In addition, testing for asbestos, residual pesticides, mold, and water may be required. In certain situations, a Phase II and Phase III Environmental Assessment may be necessary. Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. Please note that additional expenses may be incurred in preparing these required reviews. The NOFA applicant is responsible for these costs.

#### 4. Equal Opportunity & Fair Housing Requirements

In accordance with Board Policy B-39a, all recipients must adopt a policy to ensure that every effort is made to provide equal opportunity to Disabled Veterans Business Enterprises (DVBES) and to encourage the participation of minority and women business vendors, contractors, and subcontractors. Once funding is approved, the developer is also required to submit an Affirmative Fair Housing Marketing Plan for review and approval. To request a model AFHMP contact Bonnie Petrach by email at [Bonnie.Petrach@sdcountry.ca.gov](mailto:Bonnie.Petrach@sdcountry.ca.gov) or at (858) 694-8709.

#### 5. Section 3 Compliance

All recipients, sub-recipients, contractors and sub-contractors administering or working on projects funded through this NOFA must comply with Section 3 regulations. The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that employment and other economic opportunities generated by HUD financial assistance are directed to lower-income workers/trainees, and to businesses which provide economic opportunities to lower-income persons. Lower-income persons who are residents of San Diego County are defined as Section 3 Residents. Preference should be given to hiring Section 3 Residents and to awarding contracts that benefit Section 3 Businesses from the neighborhood receiving the financial assistance. Contractors are required to complete Section 3 forms.

Additional detail and instructions are available from County HCD Staff at (858) 694-4805 or by email at [Jaclyn.Borillo@sdcountry.ca.gov](mailto:Jaclyn.Borillo@sdcountry.ca.gov).

#### 6. Relocation

NOFA applications involving relocation of residents or businesses shall include an anti-displacement/relocation plan in compliance with relocation laws. Either the California Relocation Assistance Act or the Uniform Acquisition and Relocation Act of 1970 (URA) as revised and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all tenant relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must also include a current copy of rent rolls detailing, family income, household characteristics, and current rent paid by each household in the proposed project.

For voluntary acquisitions, developer must prepare and deliver a Voluntary Acquisition Notice to the seller prior to making an offer and entering into a purchase and sale agreement. The developer must get acknowledgement from seller that transaction is purely voluntary.

Completion of tenant noticing, as appropriate, is necessary prior to development approval. Upon submission of the NOFA application, owners/tenants must receive a written General Information Notice, from the developer, notifying owners/tenants of their rights under the Uniform Relocation Act. New rental applicants to the proposed project must also receive a written Notice to Prospective Tenant informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Developer must document the manner of delivery and provide proof of receipt.

Contact County HCD staff at (858) 694-8741 or by email at [Tom.Dlugo@sdcountry.ca.gov](mailto:Tom.Dlugo@sdcountry.ca.gov), if any step in the project requires the relocation of any residents or businesses. Information regarding the Uniform Acquisitions and Relocation Act (URA) as revised, for U.S. Department of Housing and Urban Development Programs; and Section 104(d) of the Housing and Community Development Act of 1974 can be obtained by contacting County HCD at (858) 694-8741.

## 7. Conflict of Interest

Strict federal and state non-conflict of interest laws and regulations apply to all County and/or sub-recipient agency (i.e., participating cities, districts, non-profit agencies, etc.) staff who are engaged in implementing funded activities. In brief, these requirements prohibit all County and/or sub-recipient agency staff, their families, or family/business ties from obtaining any financial interest in a funded contract if they participated in or had inside information about the contract, for up to a year after their tenure.

The full text of these requirements is detailed and penalties allowed for violations are severe.

## 8. Approval of Contractors

All construction contractors and sub-contractors must be approved by County HCD. Project-implementing agencies must verify this approval before awarding the construction contract. Information regarding the Federal Debarred Contractors List is available at <http://epls.arnet.gov/servlet/EPLSSearchMain/1>.

## 9. Prevailing Wage Rates

The Davis-Bacon Wage Act (40 U.S.C. 276a – 276a-5) requires the payment of wages to laborers and mechanics at a rate not less than the minimum wage specified by the U.S. Secretary of Labor. CDBG and HOME projects must comply when:

- CDBG: Residential property rehabilitation is for eight (8) or more units or new construction costs exceed \$2,000; or,
- HOME: The rehabilitation or new construction is for twelve (12) or more HOME-funded units.

The U.S. Secretary of Labor's wage determinations are available upon request. Information on prevailing wage requirements is also available by contacting County HCD at (858) 694-8741.

## 10. Volunteer Labor

Volunteer labor may only be used to implement funded projects in very limited circumstances, in accordance with Federal Labor Standards, Davis-Bacon Act requirements, California State law and with the approval of HUD, County HCD and (in some instances) the California Director of Industrial Relations. County HCD staff must, therefore, be advised early if volunteer labor is to be used so that a determination can be made as to whether the project meets the applicable criteria.

## 11. Competitive Bidding Requirements

Agencies implementing projects must obtain competitive bids or estimates for all materials purchased and work to be accomplished by contractors or sub-contractors. Documentation of such competition must be maintained for review by HUD staff during monitoring visits.

In order for work to be accomplished by construction contractors or sub-contractors, a formal Request for Bids (RFB) package and advertisement must be prepared and pre-approved by County HCD staff. The RFB package must include required federal labor standards and current Davis/Bacon Act wage rates.

## 12. Pre-construction Conference

A "pre-construction conference" must be held with the bid winning contractor and listed sub-contractors following contract award and before commencement of construction. The pre-construction conference must announce that Federal Labor Standards and Davis-Bacon Act requirements apply, and that contractors must submit copies of weekly payrolls to the assigned project manager for verification that appropriate wage rates

were paid. In addition, the preconstruction conference must announce that the requirements of Section 3 apply. The project administrator must promptly review all such payrolls upon receipt, sign and date the payroll following verification, and maintain such payrolls on file for review by HUD monitoring staff during monitoring visits. Minutes of the pre-construction conference that document the discussion of federal regulations must be kept in the project files.

### 13. Construction Employee Interviews

Interviews must be conducted by implementing project administrators for a sample of construction employees of funded construction projects sometime during the construction work to verify that actual wage rates paid comply with reported wages.

### 14. Accessibility

Housing developments assisted with CDBG or HOME funds must comply with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and HUD's implementing regulations, which prohibit discrimination, based on disability and establish requirements for program accessibility and physical accessibility in housing programs. Section 504 includes requirements that in new construction developments a minimum of 5 percent of the housing units, but not less than one unit, must be accessible to residents with mobility impairment, and an additional 2 percent of the units, but not less than one unit, must be accessible to residents with visual and/or hearing impairment. This standard also applies to rehabilitation in developments of 15 or more units, when total cost of rehabilitation is 75 percent or more of the total replacement value of the improvements, as determined by HUD.

The Fair Housing Act applies whether the building is privately or publicly constructed and owned. The Act, among other things, establishes seven design standards for all newly constructed, multifamily housing of four or more units, which were ready for first occupancy on or after March 13, 1991. The Act requires that all units on floors served by elevators, and all ground floor units in a non-elevator building with four or more units, be accessible to persons with disabilities.

### 15. Energy Efficiency

Proposals involving construction of new housing are expected to contain descriptions of specific measures that will be taken to make the units energy efficient. An Energy Efficiency-Based Utility Allowance (EEBUA) schedule is available to qualified projects. Contact HCD staff at (858) 694-8741 for more information.

### 16. Lead-Based Paint Hazard Reduction Requirements

New lead-based paint regulations, effective September 15, 2000, were issued under Sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, which are Title 10 of the Housing and Community Development Act of 1992. They appear in Title 24 of the Code of Federal Regulations as Part 35 (24 CFR 35). Any project for which federal funds are being obligated or committed after September 15, 2000 must comply with these regulations.

The regulations set hazard reduction requirements that give much greater emphasis to reduction of lead in house dust than did previous regulations. Scientific research has found that exposure to lead in dust is the most common way young children become lead poisoned. For this reason the new regulations require dust testing after paint is disturbed to ensure that homes are lead-safe. Specific requirements depend on whether the housing is being disposed of or assisted by the federal government, and also on the type and amount of financial assistance, age of the structure, and whether the dwelling is a rental or is owner-occupied.

If the application is for housing covered by the regulations below, the application's budget must include anticipated costs associated with lead-based paint hazard reduction. There are no separate funds available in the NOFA for lead-based paint reduction activities. Further information on lead-based paint hazard reduction

can be obtained from the HUD Office of Lead Hazard Control at (202) 755-1785 or by email at <http://www.hud.gov/lea/leahome.html>.

A summary of lead hazard reduction requirements for various types of housing programs is on the following pages. Below is a description of the types of housing covered and not covered by the regulations.

- Types of housing covered include: a) Federally-owned housing being sold; b) Housing receiving a federal subsidy that is associated with the property, rather than with the occupants (project-based assistance); c) Public Housing; d) Housing occupied by a family (with a child) receiving a tenant-based subsidy (such as a voucher or certificate); e) Multifamily housing for which mortgage insurance is being sought; and, f) Housing receiving federal assistance for rehabilitation, reducing homelessness, and other special needs.
- Types of housing not covered include: a) Housing built since January 1, 1978, when lead paint was banned for residential use; b) Housing exclusively for the elderly or people with disabilities, unless a child under age 6 is expected to reside there; c) Zero-bedroom dwellings, including efficiency apartments, single-room occupancy housing, dormitories, or military barracks; d) Property that has been found to be free of lead-based paint by a certified lead-based paint inspector; e) Property where all lead-based paint has been removed; f) Unoccupied housing that will remain vacant until it is demolished; g) Non-residential property; h) Any rehabilitation or housing improvement that does not disturb a painted surface; and, i) Emergency homeless assistance, unless the assistance lasts more than 100 days, in which case the rule does apply.

**NOTE: Clearance is always required after abatement, interim controls, paint stabilization, or standard treatments.**

<b>Subpart of Rule/Type Program</b>		<b>Construction Period</b>	<b>Requirements</b>
A.	Disposition by Federal Agency other than HUD	Pre-1960	<ul style="list-style-type: none"> <li>• LBP inspection and risk assessment.</li> <li>• Abatement of LBP hazards.</li> <li>• Notice to occupants of inspection/abatement results.</li> </ul>
		1960-1977	<ul style="list-style-type: none"> <li>• LBP inspection and risk assessment.</li> <li>• Notice to occupants of results.</li> </ul>
B.	Project-Based Assistance by Federal Agency other than HUD	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Risk assessment.</li> <li>• Interim controls.</li> <li>• Notice to occupants of results.</li> <li>• Response to EBL child.</li> </ul>
C.	HUD-Owned Single Family Sold with a HUD-Insured Mortgage	Pre-1978	<ul style="list-style-type: none"> <li>• Visual assessment.</li> <li>• Paint stabilization.</li> <li>• Notice to occupants of clearance.</li> </ul>
D.	Multifamily Mortgage Insurance		
	1. For properties that are currently residential	Pre-1960	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Risk assessment.</li> <li>• Interim controls.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> </ul>
		1960-1977	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Ongoing LBP maintenance.</li> </ul>
	2. For conversions and major renovations	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• LBP inspection.</li> <li>• Abatement of LBP.</li> <li>• Notice to occupants.</li> </ul>
E.	Project-Based Assistance (HUD Program)		
	1. Multifamily property Receiving more than \$5,000 per unit per year	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Risk assessment.</li> <li>• Interim controls.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance and reevaluation.</li> <li>• Response to EBL child.</li> </ul>

<b>Subpart of Rule/Type Program</b>		<b>Construction Period</b>	<b>Requirements</b>
	2. Multifamily property – receiving less than or equal to \$5,000 per unit per year, and single family properties	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Visual assessment.</li> <li>• Paint stabilization.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> <li>• Response to EBL child.</li> </ul>
F.	HUD-Owned Multifamily Property	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• LBP inspection and risk assessment.</li> <li>• Interim controls.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> <li>• Response to EBL child.</li> </ul>
G.	Rehabilitation Assistance		
	1. Property receiving less than or equal to \$5,000 per unit	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Paint testing of surfaces to be disturbed, or presume LBP</li> <li>• Safe work practices in rehab.</li> <li>• Repair disturbed paint.</li> <li>• Notice to occupants.</li> </ul>
	2. Property receiving more than \$5,000 and up to \$25,000	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Paint testing of surfaces to be disturbed, or presume LBP</li> <li>• Risk assessment.</li> <li>• Interim controls.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance if HOME or CILP.</li> </ul>
	3. Property receiving more than \$25,000 per unit	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Paint testing of surfaces to be disturbed, or presume LBP.</li> <li>• Risk assessment.</li> <li>• Abatement of LBP hazards.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> </ul>
H.	Acquisition, Leasing, Support Services, or Operation	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Visual assessment.</li> <li>• Paint stabilization.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> </ul>
I.	Public Housing	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• LBP inspection.</li> <li>• Abatement of LBP.</li> <li>• Risk assessment if LBP not yet abated.</li> <li>• Interim controls if LBP not yet abated.</li> <li>• Notice to occupants.</li> <li>• Response to EBL child.</li> </ul>

<b>Subpart of Rule/Type Program</b>		<b>Construction Period</b>	<b>Requirements</b>
J.	Tenant-Based Rental Assistance	Pre-1978	<ul style="list-style-type: none"> <li>• Provision of pamphlet.</li> <li>• Visual assessment.</li> <li>• Paint stabilization.</li> <li>• Notice to occupants.</li> <li>• Ongoing LBP maintenance.</li> <li>• Response to EBL child.</li> </ul>

LBP = Lead-Based Paint  
EBL= Elevated Blood Level

# ATTACHMENT E

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

**U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing**

**OMB Approval No. 2577-0169**  
(exp. 9/30/2010)  
HUD-52667 (12/97)  
ref. Handbook 7420.8

Department of Housing and Community Development 3989 Ruffin Rd., San Diego CA 92123-1890 Serving as the Housing Authority of the County of San Diego		Unit Type				Date (mm/dd/yyyy)		
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Payment Standards (12/1/2006)		957	1092	1325	1932	2329	2678	3028
Fair Market Rent (10/1/2009)		945	1082	1324	1883	2326	2674	3023
Utility Or Service (7/1/2009)		Monthly Dollar Allowances						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Heating	a. Gas/Other	2	3	4	5	7	8	9
	b. Oil /Electric	3	5	6	7	9	10	12
Cooking	a. Gas/Other	1	2	3	3	4	5	5
	b. Oil/Electric	2	3	3	4	5	6	7
Basic Electricity		10	14	19	23	29	33	38
Air Conditioning		1	1	1	1	1	1	2
Water Heating	a. Gas/Other	5	7	9	11	14	16	19
	b. Oil / Electric	7	10	12	15	19	22	25
Water		24	34	44	53	68	77	88
Sewer		19	26	34	41	53	60	69
Trash Collection		18	18	18	18	18	18	18
Range/Microwave		3	3	3	3	3	3	3
Refrigerator		7	7	7	7	7	7	7
Flat Rate Water (any flat rate parks, apartments)		12	12	12	12	12	12	12
Flat Rate Sewer (any flat rate parks, apartments)		15	15	15	15	15	15	15
Flat Rate Trash (any flat rate parks, apartments)		13	13	13	13	13	13	13

**Mobilehome Owner:** PS = \$751 (12/1/06); FMR = \$736 (10/1/08)

**Actual Family Allowances** To be used by the family to compute allowance.  
Complete below for the actual unit rented.

	Utility or Service	Per month cost
Name of Family	Heating	
Address of Unit	Cooking	
	Other Electric	
Number of Bedrooms	Water Heating	
	Water	
	Sewer	
	Trash Collection	
	Range/Microwave	
Number of Bedrooms	Refrigerator	
	Air Conditioning	
	Other	
	<b>Total</b>	\$

**Instructions:** Circle actual bedroom size. Circle the appropriate payment standard (the lower of: size of unit, or number of bedrooms on Housing Choice Voucher). Circle appropriate allowances for all tenant paid/provided utilities, services and appliances. Use allowances for actual unit size, rather than the utility allowances for the HCV bedroom size). Complete and total utility costs in the right hand bottom section. Mobilehomes/flat rate apartments have different utility allowances for water, sewer and trash.

Fair Market Rents effective: 10/01/2009	Payment Standards Effective: 12/01/2006	Utilities Effective: 07/01/2009
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Note: The FMRs for unit sizes larger than 4BRS are calculated by adding 15% to the 4BR FMR for each extra bedroom. For example: the FMR for a 5BR unit is 1.15 times the size of the 4BR FMR, and the FMR for a 6BR unit is 1.30 times the 4BR FMR.

Imputed Interest Rate: 2% effective 08/2004

## ATTACHMENT F

### HUD REGIONAL MEDIAN INCOME AND AFFORDABLE RENT SCHEDULE FOR THE COUNTY OF SAN DIEGO - CALENDAR YEAR 2009

(Effective March 19, 2009)

% of Median Income	Size of Family	Maximum Annual Income	Maximum Monthly Income	Maximum Affordable Rent (30% RMI)	If Applicable: (Size of the unit)
<b>30%</b>	1	\$17,350	\$1,446	\$434	(studio)
	2	\$19,850	\$1,654	\$496	(1 br)
	3	\$22,300	\$1,858	\$558	
	4	\$24,800	\$2,067	\$620	(2 br)
	5	\$26,800	\$2,233	\$670	
	6	\$28,750	\$2,396	\$719	(3 br)
	7	\$30,750	\$2,563	\$769	
	8	\$32,750	\$2,729	\$819	(4 br)
<b>35%</b>	1	\$20,250	\$1,688	\$506	(studio)
	2	\$23,100	\$1,925	\$578	(1 br)
	3	\$26,000	\$2,167	\$650	
	4	\$28,900	\$2,408	\$723	(2 br)
	5	\$31,200	\$2,600	\$780	
	6	\$33,500	\$2,792	\$838	(3 br)
	7	\$35,850	\$2,988	\$896	
	8	\$38,150	\$3,179	\$954	(4 br)
<b>50%</b>	1	\$28,900	\$2,408	\$723	(studio)
	2	\$33,050	\$2,754	\$826	(1 br)
	3	\$37,150	\$3,096	\$929	
	4	\$41,300	\$3,442	\$1,033	(2 br)
	5	\$44,600	\$3,717	\$1,115	
	6	\$47,900	\$3,992	\$1,198	(3 br)
	7	\$51,200	\$4,267	\$1,280	
	8	\$54,500	\$4,542	\$1,363	(4 br)
<b>60%</b>	1	\$34,700	\$2,892	\$868	(studio)
	2	\$39,650	\$3,304	\$991	(1 br)
	3	\$44,600	\$3,717	\$1,115	
	4	\$49,550	\$4,129	\$1,239	(2 br)
	5	\$53,500	\$4,458	\$1,338	
	6	\$57,500	\$4,792	\$1,438	(3 br)
	7	\$61,450	\$5,121	\$1,536	
	8	\$65,400	\$5,450	\$1,635	(4 br)

% of Median Income	Size of Family	Maximum Annual Income	Maximum Monthly Income	Maximum Affordable Rent (30% RMI)	If Applicable: (Size of the unit)
<b>65%</b>	1	\$37,600	\$3,133	\$940	(studio)
	2	\$42,950	\$3,579	\$1,074	(1 br)
	3	\$48,350	\$4,029	\$1,209	
	4	\$53,700	\$4,475	\$1,343	(2 br)
	5	\$58,000	\$4,833	\$1,450	
	6	\$62,300	\$5,192	\$1,558	(3 br)
	7	\$66,600	\$5,550	\$1,665	
	8	\$70,900	\$5,908	\$1,773	(4 br)
<b>80%</b>	1	\$46,250	\$3,854	\$1,156	(studio)
	2	\$52,900	\$4,408	\$1,323	(1 br)
	3	\$59,500	\$4,958	\$1,488	
	4	\$66,100	\$5,508	\$1,653	(2 br)
	5	\$71,400	\$5,950	\$1,785	
	6	\$76,700	\$6,392	\$1,918	(3 br)
	7	\$81,950	\$6,829	\$2,049	
	8	\$87,250	\$7,271	\$2,181	(4 br)
<b>100%</b>	1	\$52,450	\$4,371	\$1,311	(studio)
	2	\$59,900	\$4,992	\$1,498	(1 br)
	3	\$67,400	\$5,617	\$1,685	
	4	\$74,900	\$6,242	\$1,873	(2 br)
	5	\$80,900	\$6,742	\$2,023	
	6	\$86,900	\$7,242	\$2,173	(3 br)
	7	\$92,900	\$7,742	\$2,323	
	8	\$98,850	\$8,238	\$2,471	(4 br)
<b>115%</b>	1	\$60,300	\$5,025	\$1,508	(studio)
	2	\$68,900	\$5,742	\$1,723	(1 br)
	3	\$77,550	\$6,463	\$1,939	
	4	\$86,150	\$7,179	\$2,154	(2 br)
	5	\$93,050	\$7,754	\$2,326	
	6	\$99,950	\$8,329	\$2,499	(3 br)
	7	\$106,850	\$8,904	\$2,671	
	8	\$113,700	\$9,475	\$2,843	(4 br)

Note: Income levels 80% and below are adjusted by a HUD high cost area allowance.

# ATTACHMENT G-1

HUD Handbook 1378, Change 6  
Appendix 3, [10/06]

## GUIDEFORM GENERAL INFORMATION NOTICE RESIDENTIAL TENANT TO BE DISPLACED

Grantee or Agency Letterhead  
(date)

Dear \_\_\_\_\_:

\_\_\_\_\_  
(City, County, State, Public Housing Authority (PHA), other) \_\_\_\_\_, is interested in \_\_\_\_\_ (acquiring, rehabilitating, demolishing) \_\_\_\_\_ the property you currently occupy at \_\_\_\_\_ (address) \_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the \_\_\_\_\_ program.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of acquisition, rehabilitation or demolition for the project.

**This is not a notice to vacate the premises.**

**This is not a notice of relocation eligibility.**

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance To Tenants Displaced From Their Homes" provides an explanation of this assistance and other helpful information.

**(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)**

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

**Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time.** If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact (name) \_\_\_\_\_,  
(title) \_\_\_\_\_, (address) \_\_\_\_\_, (phone) \_\_\_\_\_.

Sincerely,

(name and title) \_\_\_\_\_

# ATTACHMENT G-2

HUD Handbook 1378, Change 6  
Appendix 2, [10/06]

## GUIDEFORM GENERAL INFORMATION NOTICE RESIDENTIAL TENANT NOT DISPLACED

Grantee or Agency Letterhead

(date)

Dear \_\_\_\_\_:

\_\_\_\_\_(City, County, State, Public Housing Authority (PHA), other)\_\_\_\_\_, is interested in rehabilitating the property you currently occupy at \_\_\_\_\_(address)\_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the \_\_\_\_\_ program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of 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/complex under reasonable terms and conditions. \*

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

This is not a notice to vacate the premises.  
This is not a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact:

(name)\_\_\_\_\_, (title)\_\_\_\_\_, (address)\_\_\_\_\_,  
(phone)\_\_\_\_\_.

Sincerely,

(name and title)\_\_\_\_\_

**ATTACHMENT G-3**

**GUIDEFORM**  
**- VOLUNTARY ACQUISITION -**  
- Informational Notice -  
(Agencies Without Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear \_\_\_\_\_:

(Name of Agency/Person) \_\_\_\_\_, is interested in acquiring property you own at (address) \_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (Name of Agency/Person) \_\_\_\_\_ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you (\$) \_\_\_\_\_ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact (name) \_\_\_\_\_, (title) \_\_\_\_\_, (address) \_\_\_\_\_, (phone) \_\_\_\_\_.

Sincerely,

(name and title) \_\_\_\_\_

# ATTACHMENT G-4

HUD Handbook 1378, Change 5  
Appendix 29, [01/06]

## MOVE-IN NOTICE (GUIDEFORM NOTICE TO PROSPECTIVE TENANT)

Grantee or Agency Letterhead  
(date)

Dear \_\_\_\_\_:

On     (date)    ,     (property owner)     submitted an application to the     (Grantee)     for financial assistance under a program funded by the Department of Housing and Urban Development (HUD). The proposed project involves [acquisition] [rehabilitation] [demolition] and/or [conversion] of the property located at     (address)    . Because Federal funds are planned for use in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and/or section 104(d) of the Housing and Community Development Act of 1974, as amended] may apply to persons in occupancy at the time the application was submitted for HUD funding. However, if you choose to occupy this property subsequent to the application for federal financial assistance, as a new tenant you will not be eligible for relocation payments or assistance under the URA [and/or section 104(d)].

This notice is to inform you of the following information before you enter into any lease agreement and/or occupy the property located at the above address:

- ◆ You may be displaced by the project.
- ◆ You may be required to relocate temporarily.
- ◆ You may be subject to a rent increase.
- ◆ You will not be entitled to any relocation payments or assistance provided under the URA [and/or section 104(d)]. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses you incur in connection with a move as a result of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact     (Grantee)     at     (address and telephone number)    . Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

    (name and title)    

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact     (Grantee)     at     (address and telephone number)    . Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

**NOTE: ACKNOWLEDGEMENT OF THIS NOTICE IS MANDATORY WITH EACH RENTAL AGREEMENT. ALL ADULT OCCUPANTS MUST SIGN.**

NAME: \_\_\_\_\_ ADDRESS AND UNIT NUMBER: \_\_\_\_\_  
Print Name of Tenant

SIGNATURE (S): \_\_\_\_\_

ANNUAL INCOME: \_\_\_\_\_ HOUSEHOLD SIZE: \_\_\_\_\_

MOVE-IN DATE: \_\_\_\_\_



8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

- A. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
- B. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- C. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- D. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- E. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

Name, Address and  
Zip Code

Position Title (if any) and  
percent of interest or description  
of character and extent of interest

(Attach extra sheet if necessary)

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months. If yes, please explain in detail.

10. Is it anticipated that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name, Address and  
Zip Code

Position Title (if any) and  
extent of interest

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

13. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

14. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

A. In banks/savings and loans:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

B. By loans from affiliated or associated corporations or firms:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

C. By sale of readily salable assets/including marketable securities:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$	\$

**ATTACHMENT I**  
**EVIDENCE OF COMPLIANCE WITH PREVIOUS HCD LOANS**

**Part A (to be completed by Applicant)**

Project	Address	Total Funds	Purpose
1			
2			
3			
4			
5			
6			

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Part B - Affordability Restrictions (to be completed by HCD staff)**

The Project(s) listed above is/are in Compliance:    YES     NO

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Part C - Contract Monitoring (to be completed by HCD staff)**

The Project(s) listed above is/are current:    YES     NO

Annual Reports are submitted when due:    YES     NO

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Part D – Residual Receipts Payment Record (to be completed by HCD staff)**

Are Residual Receipts being received?    YES     NO

<b>Year</b>	<b>Amount Projected</b>	<b>Amount Received</b>
<b>2007</b>		
<b>2008</b>		
<b>2009</b>		
<b>Any previous years:</b>		

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_



**(1) ETHNIC CODES (\*)**

Race-Head of Household

- 11-White
- 12-Black/African American
- 13-Asian
- 14-American Indian/Alaska native
- 15-Native Hawaiian/Other Pacific Islander
- 16-American Indian/Alaska Native and White
- 17-Asian and White
- 18-Black/African American and White
- 19-American Indian/Alaska Native and Black/African American
- 20-Other Multi Racial

**(2) HANDICAPPED CODES (\*\*)**

"H" = Hearing Impaired      "V" = Visually Impaired      "M" = Mobility Impaired

**(3) SECTION 8 ASSISTANCE (\*\*\*)**

If yes, please identify type: "C" = Certificate      "V" = Voucher

**(4) INCOME LEVELS (\*\*\*\*) (Area Median Income (AMI) Limits Effective March 19, 2009**

CODE	Family Size:	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
"1"	Extremely Low (<30% AMI)	\$17,350	\$19,850	\$22,300	\$24,800	\$26,800	\$28,750	\$30,750	\$32,750
"2"	Very Low (50% AMI)	\$28,900	\$33,050	\$37,150	\$41,300	\$44,600	\$47,900	\$51,200	\$54,500
"3"	Low Income (80% AMI)	\$46,250	\$52,900	\$59,500	\$66,100	\$71,400	\$76,700	\$81,950	\$87,250

**(5) INCOME SOURCE (\*\*\*\*)**

- Codes:
- "1" = Earned Income (Head of Household)
  - "2" = Earned Income (Joint)
  - "3" = Investment Income (Interest/Dividends)
  - "4" = Earned Investment (Rental Income)
  - "5" = Social Security
  - "6" = Retirement Income (Other Pensions/Annuities)
  - "7" = Redistributed Income (Unemployment, Welfare, Disability, SSI)

**ATTACHMENT K**  
**SAMPLE BOARD RESOLUTION**

[Letterhead of Applicant]

**RESOLUTION OF BOARD OF DIRECTORS**  
**OF**

\_\_\_\_\_

WHEREAS, this entity has a minimum of four directors who constitute a quorum for conducting organization business; the organization conducts quarterly board meetings; quarterly financial statements are reviewed by the board; and, the executive director and other paid staff do not serve as voting board members;

WHEREAS, \_\_\_ is a \_\_\_\_\_ [Status of Corporation, i.e. A Nonprofit Public Benefit Corporation, qualified pursuant to the provisions of Internal Revenue Code Section 501 (c) (3), etc.];

WHEREAS, \_\_\_\_\_, recognizes that the community at large, and especially low-income residents have many diverse needs for social, housing, education and other services;

WHEREAS, \_\_\_\_\_, is committed to effectively serving the communities referenced in the prior recital; and

NOW THEREFORE BE IT RESOLVED as follows:

1. That \_\_\_\_\_ is committed to providing safe, decent and affordable housing for persons of very low, low and moderate-income levels;
2. That on or about \_\_\_\_\_ 200\_\_\_\_, the Board of Directors voted to authorize the \_\_\_\_\_ [title of person authorized], or his designee, to apply for and accept assistance of the Project located at \_ [address], for the purpose of obtaining financing and or a grant to provide for the \_\_\_\_\_  
\_\_\_\_\_ [purpose, i.e. acquisition, rehabilitation, refinancing, tenant relocation, construction, etc.] of the Project, in an amount not to exceed \_\_\_\_\_ (\$\_\_\_\_\_) from the County of San Diego, Department of Housing and Community Development.
3. That the Board of Directors further voted to authorize the \_\_\_\_\_ [title of person], or his designee, to execute any and all documents required by the County of San Diego, Department of Housing and Community Development, including, without limitation, the Promissory Note, the Deed of Trust, the Regulatory Agreement, the Security

Agreement, the Development Agreement, the UCC Financing Statement, the Standard Agreement, Escrow Instructions, Disclosure Statements, and any and all other documents requested by the County of San Diego, Department of Housing and Community Development, to document and secure its loan and or grant.

4. That the Board of Directors further authorized the \_\_\_\_\_ [title of person], or his designee, to perform all acts and to do all things necessary, in the opinion of the County of San Diego, Department of Housing and Community Development to implement the funding and making of the Loan and/or Grant

I, the undersigned, certify that this Resolution was adopted at regularly or specially noticed meeting of the Board of Directors on \_\_\_\_\_, 200\_\_\_\_, at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the Resolution and that the Resolution has not been rescinded, modified or canceled as of the date of my execution of the same and that it remains in full force and effect as of this date. I further understand that the County of San Diego, Department of Housing and Community Development is relying on the validity of this Resolution in taking the actions to process and approve the application.

I declare under penalty of perjury, under the laws of the State of California that the foregoing is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, at San Diego, California.

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT L**  
***EQUAL OPPORTUNITY PROGRAM FOR CONTRACTORS DOING BUSINESS WITH THE  
COUNTY OF SAN DIEGO***

The County of San Diego is committed to an Equal Opportunity Program pursuant to applicable State and Federal laws and guidelines, which provide Equal Opportunity in all activities of the agency, including the employment of individuals and firms which contract with The County of San Diego.

**CERTIFICATE OF COMPLIANCE**

\_\_\_\_\_  
(Name of Contractor)

As an authorized official for the above named Contractor, I hereby certify by the signature affixed to this document that said firm will comply with Executive Order 11246, Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act and any other applicable Federal and State laws as well as any other applicable local, state and federal Equal Opportunity Programs.

Further, I am submitting an acceptable Equal Employment Opportunity Plan. This plan will address the affirmative actions that will be taken by this Contractor to eliminate any discriminatory outreach or hiring practices, if they exist and to introduce outreach and hiring practices to maximize employment opportunities for all qualified individuals.

\_\_\_\_\_  
Name of Authorized Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

**ATTACHMENT M**  
**SCHEDULE AND ANALYSIS OF REAL ESTATE OWNED**

To be attached to and made a part of the loan application on property at \_\_\_\_\_

Dated: \_\_\_\_\_

PROPERTY ADDRESS	NO. UNITS	LENDER NAME AND ADDRESS	LOAN NO.	CURRENT BALANCE	MARKET VALUE	ANNUAL RENTAL	ANNUAL TAXES & INS.	ANNUAL EXPENSES	ANNUAL PRIN. INT. PYMT	CASH FLOW
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								
		1st:								
		2nd:								

**NOTE:** If ownership on any above is shared, list prorated amounts above and explain percent shared under remarks below.

REMARKS:

ANNUAL
Monthly

**ATTACHMENT N**  
***SAMPLE HCD INSURANCE AND BOND REQUIREMENTS***

The Contractor shall keep the Property and all improvements thereon insured by carriers at all times satisfactory to the County against direct physical loss, and such other hazards, casualties, liabilities and contingencies as the County may require and in such amounts and for such periods as the County shall require.

Without limiting Contractor's indemnification obligations under this Contract, Contractor shall provide and maintain at its own expense, during the term of this Contract, or as may be further required herein, the insurance specified in this Article. Contractor's insurance shall protect County from claims which may arise out of or result from Contractor's operations under the Contract and for which Contractor may be legally liable, whether such operations are performed by Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

Insurance proceeds and condemnation awards for any loss to or taking of the Housing Project shall be applied or utilized in a manner, which ensures that County's and Program interests are reasonably fulfilled.

a. **Contractor Insurance.** Within 10 working days prior to the inception of the contract Contractor shall submit to County certificates of insurance and appropriate separate endorsements to the actual insurance policy, evidencing that the Contractor has obtained for the period of the Contract insurance in the following forms of coverage and minimum amounts specified from insurance carriers with an A. M. Best rating of A VII and above or proofs of self funding or a self insurance program.

1. An occurrence policy of Commercial General Liability insurance insuring Contractor against liability for bodily injury, including death, personal injury or property damage arising out of all operations of the Contractor during the execution of the said contract of not less than two Million Dollars (\$2,000,000) per occurrence. The County of San Diego, its officers, agents, employees, and volunteers shall be added as Additional Insured by separate endorsement to the policy.

2. Statutory Workers' Compensation insurance along with Employer's Liability of not less than One Million Dollars (\$1,000,000).

3. A Comprehensive Automobile Liability Insurance policy for bodily injury, including death, and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

4. A standard fire policy including all risk or special form perils, in an amount of ninety percent 90% of the full replacement cost of the Building and Improvements, without deduction for depreciation, including costs of demolition and debris removal. Such policy or policies of insurance shall include coverage for (i) Contractor's merchandise, (ii) fixtures owned by Contractor, (iii) any items identified as improvements to the Premises constructed or owned by Contractor, and (iv) the personal property of Contractor, its agents and employees.

5. Rental income insurance which shall assure Contractor of receiving the minimum monthly rent from the time the Premises are damaged or destroyed by a risk insured against by the standard fire policy including all risk or special form perils, until such time as they are returned to a tenable condition, with a minimum period of coverage of one (1) year.

b. **Subcontractor's Insurance.** All contractors, sub-contractors and/or design professionals of Contractor utilized to carry out the County funded program described herein shall have a valid contractor's license. Contractor shall make certain that any and all subcontractors hired by Contractor are insured in accordance with this Exhibit "A", Insurance Requirements, with insurance carriers that have an A. M. Best rating of A VII and above. If any subcontractor's coverage does not comply with the insurance provisions, Contractor shall indemnify and hold County harmless of and from any damage, loss, cost, or expense, including attorneys' fees, incurred by County as a result thereof. In addition to the foregoing, Contractor shall make certain that any and all subcontractors performing any excavation of the Project have Explosion, Collapse and Underground Damage Liability Insurance and coverage in the amount of One Million Dollars (\$1,000,000). Contractor shall include subcontractors under its policies or shall furnish separate certificates of insurance and endorsements for each subcontractor.

## **INSURANCE REQUIREMENTS**

A. Required General Liability Insurance Coverage. Contractor shall procure either Comprehensive General Liability Insurance or Commercial General Liability Insurance in the amounts and form set forth below:

- (1) Comprehensive General Liability Insurance. A policy of Comprehensive General Liability Insurance with a combined single limit (CSL) per occurrence of \$1,000,000 per occurrence; OR;
- (2) Commercial General Liability Insurance. A policy of Commercial General Liability Insurance, which provides limits of:
  - (a) General limit per Occurrence: \$2,000,000
  - (b) General limit Project Specific Aggregate: \$2,000,000
  - (c) Products/Completed Operations: \$2,000,000
  - (d) Personal & Advertising Injury limit: \$2,000,000

For either type of insurance, deductibles applying to liability coverages shall be declared to and approved by the County's Risk Manager.

(3) Required General Liability Policy Coverage. Any general liability policy provided by Contractor hereunder shall include the following coverage:

- (a) Premises and Operations
- (b) Products/Completed Operations with limits of two million dollars (\$2,000,000) per occurrence to be maintained for a (3) three years following Acceptance of the work by the County.
- (c) Contractual Liability expressly including liability assumed under this Contract.
- (d) Personal Injury Liability
- (e) Independent Contractors' Liability
- (f) Severability of Interest clause providing that the coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.
- (g) Explosion, Collapse & Underground Damage Hazards (X, C & U)

(4) Required Endorsements. For either type insurance, coverage shall include the following endorsements, copies of which shall be provided to County:

- (a) Additional Insured Endorsement. Any general liability policy provided by Contractor hereunder shall contain an endorsement which applies its coverage to the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively, as additional insureds.
- (b) Primary Insurance Endorsement. The coverage afforded by the additional insured endorsement described above shall apply as primary insurance, and any other insurance maintained by the County, the members of the Board of Supervisors of the County, or its officers, agents, employees and volunteers, or any County self-funded program, shall be excess only and not contributing with such coverage.

(5) Form of General Liability Insurance Policies. All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury and other covered loss, however occasioned, occurring during the policy term, and shall specifically insure the performance by Contractor of that part of the indemnity agreement contained herein relating to liability for injury to or death of persons and damage to property. If the coverage contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any aggregate limit has been paid or reserved, County may require additional coverage to be purchased by Contractor to restore the required limits. Contractor may combine primary, umbrella and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the Additional Insured Endorsement described above.

B. Builder's Risk Insurance. Contractor shall provide Builder's Risk Insurance as follows:

- (1) Coverage shall be provided on an "all-risk" or special form basis (including the perils of earthquake and flood, unless waived by the County).

(2) Coverage shall be provided on the work and materials which are the subject of this Contract, whether in process or manufacture or finished, including "in transit" coverage to the final agreed-upon destination of delivery, and including loading and unloading operations, and such coverage shall be in force until the work and materials are accepted by the County.

(3) County shall be named as an additional insured and/or loss payee as its interest may appear at the time of loss.

(4) Coverage shall be in an amount no less than the full replacement value of the property at the time of loss.

(5) The deductible shall not exceed \$10,000, or such amount that is commercially available, per occurrence and shall be borne by the Contractor, except higher deductibles for earthquake and flood may be approved by the County.

(6) Loss, if any, shall be adjustable with and payable to the County as trustee for all entities having an insurable interest, except in such cases as may require payment of all or a proportion of such insurance to be made to a mortgagee as its interest may appear.

(7) If Contractor fails to maintain such insurance as is called for herein, the County, at its option, may order the County Contractor to suspend work at Contractor's expense until a new policy of insurance is in effect and on file with the County.

C. Comprehensive Automobile Liability Insurance. Contractor shall procure Comprehensive Automobile Liability Insurance written for bodily injury, including death, and property damage, however occasioned, occurring during the policy term, in the amount of not less than One Million Dollars (\$1,000,000), combined single limit per occurrence, applicable to all owned, non-owned and hired vehicles. This coverage shall include Contractual Liability.

D. Statutory Workers' Compensation and Employer's Liability Insurance. Unless Contractor is a sole proprietorship, Contractor shall maintain a policy of California Workers' Compensation coverage in statutory amount and Employer's Liability coverage for no less than one million dollars (\$1,000,000) per occurrence for all employees of Contractor engaged in services or operations under the Contract. Coverage shall include the following endorsements, copies of which shall be provided to the County:

(1) Broad Form All-States endorsement

(2) Waiver of Subrogation endorsement

E. Professional Errors and Omissions Liability Insurance. If Contractor provides and/or engages the services of any type of professional, including, but not limited to, engineers and architects, whose failure due to a mistake or deficiency in design, formula, plan, specifications, advisory, technical or other services could result in liability, Contractor or Consultant shall obtain professional errors and omissions liability insurance in an amount of not less than one million dollars (2,000,000). If this policy contains a self retained limit, it shall not be greater than Ten Thousand Dollars (\$10,000) per occurrence/event; if the coverage contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any aggregate limit has been paid or reserved, County may require additional coverage to be purchased by Consultant to restore the required limits. The policy shall include limited contractual liability coverage. This coverage shall be maintained for a minimum of two (2) years following termination or completion of Contractor's work pursuant to the Agreement.

F. Policy Terms and General Provisions.

(1) Certificates of Insurance. Contractor shall, as soon as practicable following the placement of insurance required hereunder, but in no event later than the effective date of the Contract, deliver to County certified copies of the actual insurance policies specified herein, or certificates evidencing the same, together with appropriate separate endorsements thereto, evidencing that Contractor has obtained such coverage for the period of the Contract. Thereafter, copies of renewal policies, or certificates and appropriate separate endorsements thereof, shall be delivered to County within thirty (30) days prior to the expiration of the term of any policy required herein. Contractor shall permit County at all reasonable times to inspect any policies of insurance of Contractor, which Contractor has not delivered to County.

(2) Claims Made Coverage. If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

(a) The policy retroactive date coincides with or precedes Contractor's commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).

(b) Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract, including the requirement of adding all additional insureds.

(c) If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least two years to report claims arising in connection with the Contract.

(d) The policy allows for reporting of circumstances or incidents that might give rise to future claims.

(3) Waiver of Subrogation. The insurer shall waive all rights of recovery or subrogation against County, its agents, officers and employees, which might arise by reason of any payment under the policies. Contractor hereby waives all rights to recovery against County on account of loss or damage occasioned to Contractor or others under Contractor's control to the extent such loss or damage is insured against under any insurance policies, which may be in force at the time of the loss or damage.

(4) Notice of Cancellation or Change of Coverage. All certificates of insurance provided by Contractor must evidence that the insurer providing the policy will give Owner thirty (30) days' written notice, in advance of any cancellation, lapse, reduction or other adverse change respecting such insurance.

#### CONTRACTOR'S BONDS.

A. Contract Bonds. Prior to commencement of construction, Contractor shall file with the County on the approved forms, the two surety bonds in the amounts and for the purposes noted below, duly executed by a reputable surety company satisfactory to County, and Contractor shall pay all premiums and costs thereof and incidental thereto, as security for payment of persons named in California Civil Code Section 3181 or amounts due under Unemployment Insurance Code with respect to Work or Labor performed by any such claimant. All alterations, time extensions, extra and additional work, and other changes authorized by the Specifications, or any part of the Contract, may be made without securing consent of the surety or sureties on the contract bonds. Each bond shall be signed by both Contractor and the sureties.

(1) The "payment bond for public works" shall be in an amount of one hundred percent (100%) of the Contract price, as determined from the prices in the bid form, and shall inure to the benefit of persons performing labor or furnishing materials in connection with the work of the proposed Contract. This bond shall be maintained in full force and effect until all work under the Contract is completed and accepted by the County, and until all claims for materials and labor have been paid.

(2) The "performance bond" shall be in an amount of one hundred percent (100%) of the Contract price as determined from the prices in the bid form, and shall insure the faithful performance by Contractor of all work under the Contract. It shall also insure the replacing of, or making acceptable, any defective materials or faulty workmanship.

B. Qualification of Sureties. Should any surety or sureties be deemed unsatisfactory at any time by the County, notice will be given Contractor to that effect, and Contractor shall forthwith substitute a new surety or sureties satisfactory to the County. No further payment shall be deemed due or will be made under the Contract until the new sureties qualify and are accepted by the County.

**ATTACHMENT O**

**COUNTY OF SAN DIEGO DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
AFFIRMATIVE FAIR HOUSING MARKETING PLAN**

**1. DEVELOPMENT INFORMATION**

---

Development Name \_\_\_\_\_ Contact Person \_\_\_\_\_

---

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_ Census Tract \_\_\_\_\_ Council District \_\_\_\_\_

**2. MANAGING AGENT**

---

Firm Name \_\_\_\_\_ Contact Person \_\_\_\_\_

---

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_ E-Mail \_\_\_\_\_

**3. PROJECT DATA**

Total Number of Units \_\_\_\_\_: please break down below:

	<u>Market Rate</u>	<u>Low Income</u>	<u>Very Low Income</u>
0 Bedroom	_____	_____	_____
1 Bedroom	_____	_____	_____
2 Bedroom	_____	_____	_____
3 Bedroom	_____	_____	_____
4 Bedroom	_____	_____	_____

Check:      Multifamily \_\_\_\_\_      Single Family \_\_\_\_\_

Project Type: (Check One)    Seniors \_\_\_\_\_    Family \_\_\_\_\_    Mixed \_\_\_\_\_

Please indicate the date when rehabilitated or newly constructed units will be available for occupancy:  
\_\_\_\_\_.

4. **DIRECTION OF MARKETING ACTIVITY**

Indicate below which group(s) in the housing market area is least likely to, because of location and other factors, apply for the housing without special outreach efforts.

- White
- Black/African American
- Asian
- American Indian/Alaska native
- Native Hawaiian/Other Pacific Islander
- American Indian/Alaska Native and White
- Asian and White
- Black/African American and White
- American Indian/Alaska Native and Black/African American
- Other Multi Racial

5. **MARKETING PERSONNEL AND BACKGROUND INFORMATION**

Name of Developer/Marketing Agent		Contact Person	
Address	City	State	Zip
Telephone No. _____	Fax No. _____	E-Mail _____	

Please list developments marketed within the past two years:

Name	Address	Type	No. Units	% Subsidy	Marketing Duration
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

6. **MARKETING EFFORTS**

For the subject development, how many units are to be leased through marketing efforts? (Units remaining after current residents are given preference.) \_\_\_\_\_.

How many months do you anticipate it will take for the development to attain 95% occupancy?

\_\_\_\_\_

7. **DEFINITION OF THE MARKET**

Define below the geographic area from which the majority of new tenants will be attracted. Please provide a map outlining the primary market area.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Provide a demographic description of tenants in the development area (include ethnicity, age, income, family size) who you intend to attract to the subject development.

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**8. MARKETING ACTIVITY AND OUTREACH EFFORTS**

Please check one or more of the following describing marketing activities planned for the subject development.

<input type="checkbox"/> Brochure*	<input type="checkbox"/> Billboard
<input type="checkbox"/> Newspaper Ads**	<input type="checkbox"/> Mass Mailing
<input type="checkbox"/> Public Relations	<input type="checkbox"/> Radio Ads
<input type="checkbox"/> Television Ads	<input type="checkbox"/> Other (specify)

- \* Attach vendor cost estimates for design and printing.
- \*\* Attach preliminary advertising schedule and budget.

**(The Fair Housing trademark and/or logo must be used in all newspaper ads and publications.)**

NAME OF NEWSPAPERS, RADIO OR T.V. STATIONS	RACIAL/ETHNIC IDENTIFICATION OF READER/AUDIENCE	SIZE OR DURATION OF ADVERTISING
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

**9. COMMUNITY CONTACTS**

If the applicant chooses to use community contact as part of its outreach program, it is understood that contact with the group or organization listed below will be established and maintained throughout the initial marketing campaign and subsequent marketing efforts. If more space is needed, attach an additional sheet.

1. Name of Group or Organization
2. City, State, and Zip Code
4. Racial/Ethnic Identification
5. Approximate Date of Contact or Proposed Contact

GROUP 1

GROUP 2

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

10. **ADDITIONAL MARKETING ACTIVITIES** (signs and Fair Housing Poster)

Will there be a sign at the development site? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, will the Fair Housing trademark and/or logotype be used? Yes \_\_\_\_\_ No \_\_\_\_\_

Will the development have any of the following? (please check):

Rental Office \_\_\_\_\_

Model Units \_\_\_\_\_

Other (specify) \_\_\_\_\_

**In all areas checked, the Fair Housing Poster must be conspicuously displayed.**

11. **EXPERIENCE AND STAFF INSTRUCTIONS**

Does your organization have experience in marketing housing to the targeted group(s) you identify in this plan?

Yes \_\_\_\_\_ No \_\_\_\_\_

Training of your organization’s staff must include Fair Housing Law and its regulations, outreach and Fair Housing marketing. Make a statement below regarding how this was or will be accomplished.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

It is understood that the plan outlined herein is established for residential development to provide housing for low and very low-income residents. In implementing this plan, the Owner/Developer and Marketing/Managing Agent signing below will abide by all rules and regulations of the federal Home Investment Partnership Program (HOME) when applicable, and the income and affirmative marketing requirements of HCD.

Owner/Developer:

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Marketing/Managing  
Agent

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title

**COUNTY OF SAN DIEGO DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT**

Approved by:

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT P**  
**MANAGEMENT PLAN CHECKLIST**

The developer will be required to submit a Management Plan for review and approval by County HCD. The reader's attention is called to HOME Program Regulations 24 CFR 92.253, which require certain tenant and participant protections for all rental housing funded by the HOME Program and to the HCD requirement for a crime-free element in the Management Plan (as described on page 6). Also required is a copy of the sample lease agreement and any addenda.

The Management Plan is required to follow the format below.

**Management**

- Role and Responsibility of the Owner and/or Delegation of Authority of the Managing Agent
  - Description of Site/Units
  - Scope of Duties
  - Changes in Management
- Personnel Policy and Staffing Arrangements
  - Hiring and Personnel Policies
  - Projected Staffing (On-Site Manager 16 or more units)
  - Training and Monitoring
  - Hiring of Residents
- Maintaining Adequate Accounting Records and Handling Necessary Forms and Vouchers
  - Accounting Basis
  - Collections and Disbursements
  - Contracting, Purchasing, Cost Controls
  - Compliance and Reporting
  - Vacancies and Rent Losses
  - Security Deposits
- Provisions for Update of Management Plan
- Insurance

**Occupancy**

- Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy
  - Outreach (Affirmative Fair Housing Marketing/Advertising)
  - Resident Selection
  - Waiting List
  - Orientation
- Procedures for Determining Resident Eligibility and for Certifying and Annually Recertifying Household Income and Size
  - Initial Certification
  - Recertification
  - Changes in Eligibility During Occupancy
  - Leasing Procedures
- Rent Collection
  - Rent Payment
  - Late Rents
  - Rent Increases
- Procedure for Appeal, Grievance and Eviction
  - Right to Hearing
  - Eviction Procedures
- Plans for Enhancing Resident-Management Relations
  - Resident Organization(s)
  - Community Room
  - Auxiliary Program

**Maintenance and Security**

- Construction Follow-Up
- Maintenance Programs
  - Maintenance Duties
  - Maintenance Supervision and Performance
  - Tools
  - Resident Maintenance Requests
  - Resident Neglect and Abuse
  - Reconditioning for New Residents
  - Preventive Maintenance
  - Emergency Maintenance
  - Gardening and Landscape
  - Contract Maintenance
  - Maintenance Stock Control
- Security

**Attach the Affirmative Fair Housing Marketing Plan**

ATTACHMENT Q  
REHABILITATION STANDARDS

**County of San Diego**

Department of Housing and  
Community Development

# Rehabilitation Standards

October 2009 Edition



*Building Better Neighborhoods*

## I. Introduction

The following rehabilitation standards shall be the basis for all rehabilitation activities undertaken as part of the following programs:

- HOME Investment Partnerships (HOME) Program;
- Neighborhood Stabilization Program (NSP);
- Community Development Block Grant (CDBG) Program; and
- Housing Opportunities for Persons With Aids (HOPWA).

Upon completion of a project, the property must comply with the rehabilitation standards established for these programs.

## II. Applicable Laws and Regulations

The County of San Diego Department of Housing and Community Development has established standards for rehabilitation work to bring substandard housing into compliance with the following statutory and regulatory requirements:

- HOME Program Regulations (24 CFR Part 92);
- HUD Lead-Based Paint Regulations (24 CFR Part 35);
- Federal Housing Code: Housing Quality Standards;
- Federal Fair Housing Act;
- Section 504 of the Rehabilitation Act of 1973 (applicable to certain HOME projects); and
- Federal Labor Standards regulatory requirements (Davis-Bacon Related Acts).

In addition, every unit rehabilitated under the programs must meet one of the following standards:

- Local Housing Codes: Any applicable local housing codes; or
- Uniform Building Code, National Building Code, or the Standard Building Code; or
- The Council of American Building Officials (CABO) one or two family code; or
- The Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926.

The scope of rehabilitation, at a minimum, must incorporate these Rehabilitation Standards to address the physical deficiencies of a unit, and it must result in the elimination of all serious Health and Safety hazards. The Department reserves its right to request modifications to a proposed scope of rehabilitation in cases where it is determined that the Rehabilitation Standards established for the program are not being followed.

## III. SITE IMPROVEMENTS

### Paving and Walkways

**Repair Standard:** Badly deteriorated, essential paving, such as front walkways, will be repaired to match. Non-essential deteriorated paving such as sidewalks that are unnecessary, will be removed and appropriately landscaped.

- Asphalt Driveway Repair and Sealing: Fill all visible cracks and potholes. If any holes need filling, use a cold patch or black top patch. The hole should be cleaned out of all loose asphalt pieces and undercut so that the patch will bond and not pop-out. Follow manufacturer's instructions, filling the hole and tamping it to compress the material. After filled and dried, seal the entire driveway, with a good, durable sealant for an even, uniform appearance.
- Asphalt Driveway (Topping Repair): Provide and install 1½" asphalt topping over existing driveway/parking area. To include patching of holes, weak spots and broken edges, prior to application of top coat. Compact asphalt with a 2 ton roller or appropriate hand tools. Surface to be free from depressions and sloped to drain. Edges to be tapered and compacted. After asphalt has been installed and set, apply sealer over entire surface.
- Concrete Driveway/Walkway Repair (Cracks): Before repair, remove oil and grease stains if any. Break away any loose or cracked concrete. Clean loose material from the crack, and then remove loose dust and concrete particles. For cracks up to 3/8" wide, use liquid cement filler (repair kit) or ready-mixed concrete patch. For larger cracks/holes, apply thin layer of bonding adhesive and trowel latex patching compound, making it even with the surrounding surface.

**Replacement Standard:** Essential walkways and driveways shall be replaced with concrete.

- Concrete Driveway: Demo existing, form and pour new driveway. Concrete to be a minimum of 3 ½". Concrete to be a minimum of 2500 PSI reinforced with #6x6x10/10 mesh placed 3" below the surface. Concrete surface sloped to drain. Control joints to be installed every 10 LFT. Edges to be finished smooth and the surface broom finished. Allow for proper curing.
- Concrete Walkway Replacement or Installation: Demo existing, form and pour new walkway; or install concrete walkway. Replacement or installation to take into account leveling, raking and tamping the ground for a firm smooth surface and to fill in any low areas. Form up sides of walkway, stake a minimum of 4' apart and screw stakes to boards. Pour concrete into the forms of walkway. Level (or screed) the concrete before it hardens. Float, trowel between concrete and form, create joints where needed (4' intervals) and broom finish. Allow for proper curing before removing forms.

## Grading

**Repair Standard:** Any deficiencies in proper grading adjacent to the building shall be corrected to assure surface drainage away from the foundation.

**Replacement Standard:** N/A

## Drainage

**Repair Standard:** Surface drainage must flow away from walkways or foundation of the house.

- Installation of a French Drain: Install a French drain to move water away from walkway and house. French drain to be 18-24" deep by 6" wide. Tamp down any loose soil. Lay down a perforated pipe (holes side down to avoid being filled with gravel). Once installed, cover the pipe with 1" or large, washed rounded gravel to within 1" of the surface. Cover with sod, rock or appropriate mulching material.

**Replacement Standard:** N/A

## Retaining Wall

**Repair Standard:** Deteriorated retaining wall that requires minimal structural corrections and does not pose a health or safety hazard should be repaired.

**Replacement Standard:** A dilapidated retaining wall that poses a health or safety hazard should be replaced, or it must be provided where necessary to protect the structure, driveway and walls and to prevent soil erosion.

- Retaining Wall Replacement or Installation: Construct a concrete block retaining wall using proper footing, reinforcing bar and 8x8x16 concrete block. Apply 2 coats of water proofing sealant to wall per manufacturer's recommendations. Wall to be solid grout, properly sealed with weep holes. Include concrete cap.

## Fences and Gates

**Repair Standard:** Wood fences which lean or have missing pickets, boards or panels may have missing parts replaced with suitable materials to match the existing. Sagging gates may be braced and those dragging on the ground may be re-hung.

**Replacement Standards:** Dilapidated wood fencing which poses a health and safety hazard should be replaced.

- Wood Fence: Provide and install new "dog eared" fence. Fence to be constructed using 4"x4" wolvanized posts set in concrete every 8 lineal feet with 2"x4" top and bottom rails between posts. Provide ½" spacing between 6' cedar up right. All hardware to be galvanized. Provide and install 2 wood gates to replace existing at both sides of unit.

## Trees

**Repair Standard:** Trees that are too close to the structure and are undermining the structural integrity of the unit shall be safety-pruned or removed.

**Replacement Standard:** N/A

## IV. EXTERIOR SURFACES

### Exterior Steps and Decks

**Repair Standard:** Steps, Stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces.

**Replacement Standard:** All unsafe or unsound porch decks and steps will be removed and/or replaced and protected from deterioration with paint or other acceptable finish. New steps and stairways shall be constructed of preservative treated lumber in conformance with local codes, or of masonry. Porch decks shall be replaced with tongue and groove pine.

### Exterior Railings

**Repair Standard:** Handrails will be present on one side of all interior or exterior steps or stairways with more than two risers, and around porches or platforms over 30" above ground level.

**Replacement Standard:** Railings shall be wrought iron or preservative treated lumber.

### Exterior Hardware

**Repair Standard:** N/A

**Replacement Standard:** Every unit will have a mailbox, or a mail slot, and a minimum 3" high address numbers at the front of the unit.

### Bricks

**Repair Standard:** Replace all missing or damaged bricks with new bricks to match existing. Clean out all loose mortar joints and tuck point with new mortar.

**Replacement Standard:** N/A

### Exterior Paint

**Repair Standard:** Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of two continuous coats of paint, and no exterior painted surface will have any deteriorated paint.

- Exterior Paint on Stucco: Water blast stucco. Repair damage to stucco using suitable stucco patch. Finish pattern to blend with existing as closely as possible. Prepare and paint stucco with two coats quality grade paint, guaranteed to cover. After paint has dried, seal area from ground up to 4 feet around house with water sealer that will not stain paint.
- Exterior Paint on Trim, Fascia, Eaves, and Wood Members: Repair or replace damaged trim, fascia, eaves, wood members, etc. See termite report for recommended or required repairs. All wood to be primed. Prepare all exterior wood, including exterior doors, for painting, using industry approved standards. Paint using two coats, quality, guaranteed to cover exterior paint. Owner to select color(s).

**Replacement Standard:** Wood siding materials and trim which are broken, split or damaged so as to permit the entrance of weather or which show signs of decay or insect infestation shall be replaced to match existing.

- Fascia: Replace or repair any damaged trim, fascia, eaves, or wood members, etc. See termite report for recommended or required repairs. All new wood to be primed. Then, paint all exterior doors and wood with good quality exterior paint guaranteed to cover. Prior to application, assure surfaces are smooth, clean, dry and ready to receive paint. Apply according to manufacturer's recommendations. Owner to select color(s).

### Gutters, Cornices and Exterior Details

**Repair Standard:** Repairs to gutters, downspouts, eaves, rafter ends, fascias, soffits and cornices, moldings, trim, etc., shall be made to match existing design and appropriate materials to prevent deterioration.

**Replacement Standard:** Gutters, downspouts, eaves, rafter ends, fascias, soffits and cornices, moldings, trim, etc., showing evidence of deterioration shall be replaced with new materials suitably protected with paint or stain.

## V. FOUNDATIONS AND STRUCTURE

### Foundations

**Repair Standard:** Foundations shall be sound, reasonably level, and free from movement.

**Replacement Standard:** Replacement of foundations must meet building code.

### Structural Walls

**Repair Standard:** Structural framing and all masonry or concrete foundation walls shall be free from visible deterioration, rot, or serious termite damage. All sagging floor joists or rafters shall be visually inspected, and significant structural damage and its cause shall be corrected and improved to a safe and sound condition.

**Replacement Standard:** Replacement of structural walls must meet building code. All wood foundation posts, sills, girders and plates showing signs of rot, decay, infestation or structural failure shall be replaced with new suitable materials of proper design, where applicable

## VI. WINDOWS, DOORS AND OTHER OPENINGS

### Exterior Doors

**Repair Standard:** Doors shall be solid, weather stripped, operate smoothly, and include a peep site, a dead bolt, and an entrance lock set.

**Replacement Standard:** All replacement doors at the front of the property will be Energy-Star rated. Dead bolt locks shall be installed on all doors.

- **Front Entry Door:** Provide and install solid front entry door. Replace wood trim and jamb as needed. Include new locking door knob, and dead bolt lock set keyed alike. Installation to include 3 butt hinges and all necessary hardware. Paint or stain door. Owner to select color.
- **Garage Door:** Provide and install steel non-insulated, solid panel (no windows) roll-up garage door with electric opener system. Replace wood trim and jamb as needed. Installations to include all necessary hardware and minimum 5 (five) year warranty on all components.
- **Security Screen Doors:** Provide and install new security screen door with locking door knob and dead bolt lock set. Install per manufacturer's recommendation and include all necessary hardware. Any gap at bottom of screen door once installed must be closed.

### Chimneys

**Repair Standard:** Chimneys or fireplaces showing signs of deterioration must be repaired or replaced with appropriate materials.

**Replacement Standard:** N/A

### Interior Doors

**Repair Standard:** All bedrooms, baths and closets shall have well-operating doors.

**Replacement Standard:** Interior doors must be hollow core, pressed wood product with brass plated bedroom lockset.

- Door (Interior): Provide and install pre-hung hardboard hollow core interior door (minimum 1 3/8" thick). Replace wood trim and jamb as needed. Include new locking door knob. Installation to include 3 butt hinges and all necessary hardware. Paint or stain door. Owner to select color.

## Windows

**Repair Standard:** All single glazed windows shall be replaced with Energy-Star rated windows. Operable windows shall have a locking device and mechanism to remain partially open. Dilapidated lead-containing windows should be replaced.

**Replacement Standard:** All windows must be replaced with energy efficient, dual pane, retrofit vinyl, low-E, Energy-Star rated windows. The windows must have a minimum R-value of 2 (Energy-Star).

- Window Replacement: Provide and install new energy efficient, low-E, dual pane, retrofit vinyl windows, with screens, to replace existing windows. New windows to allow for proper egress, ventilation and natural light to code.
- Sliding Glass Door: Provide and install new sliding glass door to replace existing. Sliding glass door to match energy efficiency standards of windows. Bid to include necessary modifications and repairs to adjacent surfaces. Installation per manufacturer's recommendations and to include screen door.

## VII. ROOFING

### Roofs

**Repair Standard:** Missing and leaking shingles and flashing shall be repaired on otherwise functional roofs.

**Replacement Standard:** Dilapidated roofs and flashing shall be replaced to protect the building against leakage.

- Roof Replacement: Demo existing roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards per code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25-year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 25-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof - Built Up: Remove existing hot-mop and rock roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards. Provide and install solid cap over 4ply built up roof comparable to Johns Manville or better. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 20-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof – Cap: Remove existing hot-mop and rock roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards. Provide and install solid cap over 3ply built up roof comparable to Johns Manville or better. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 15-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof – Shake: Demo existing wood shake roof down to sheathing. Inspect and replace starter boards. Apply solid sheathing to code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25 year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 25-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof (3-tab): Demo existing 3-tab roof coverings down to sheathing. Inspect and replace damaged sheathing and starter boards per code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25 year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 25-year manufacturer's warranty and 5-year workmanship guarantee.

## VIII. INTERIOR STANDARDS

### Flooring

**Repair Standard:** Flooring in adequate condition with minimal damage may be repaired. Bathroom and kitchen floors shall be rendered smooth and cleanable by being covered with water-resistant vinyl flooring or ceramic tile.

**Replacement Standard:** Floors in areas of the unit which show excessive wear, shrinkage, cupping or other serious damage, and poses a health and safety hazard shall be replaced or covered with acceptable finish flooring materials properly installed. Sound wood floors showing normal wear discoloration may be refinished.

- Carpet: Provide and install new carpet and pad (minimum ½") in living areas determined by the owner. Owner to select style and color. Installation to include new baseboard to match existing. Paint baseboard if wood.
- Vinyl: Remove and replace current vinyl flooring. Repair/replace underlayment as necessary. Prepare flooring to provide a smooth surface, ready to receive new floor sheet goods. Remove existing baseboards. Furnish and professionally install new owner selected, one-piece linoleum flooring, including new baseboards, sink nails, putty, sand smooth and paint.

## Closets

**Repair Standard:** All bedrooms shall have closets with a door, clothes rod, and shelf.

**Replacement Standard:** N/A

## Interior Walls and Ceiling

**Repair Standard:** All holes and cracks shall be repaired to create a continuous surface and any deteriorated paint should be properly repaired or, if applicable, stabilized using lead-safe measures.

**Replacement Standard:** Walls shall be plumb and ceiling level with a smooth finish on at least ½" gypsum.

## IX. ELECTRIC

**Repair Standard:** Electrical service must be adequate to safely supply power to all existing and proposed electrical devices. All entrances will be well lighted and either switched at the interior side of the door, or the light will be controlled by a photoelectric cell. Where needed, motion actuated security lighting shall be installed. All switch, receptacle, and junction boxes shall have appropriate cover plates. Wiring shall be free from hazard and all circuits shall be properly protected at the pane.

**Replacement Standard:** Replacement of electrical systems, distribution, wiring or services must meet code.

## X. PLUMBING

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

**Replacement Standard:** New piping and fittings must meet plumbing code. All water lines shall be replaced with new copper pipe.

## XI. ENERGY CONSERVATION MEASURES

Rehabilitation loans must be used to reduce energy consumption through the installation of:

- Energy efficient windows;
- Attic, floor and wall insulation;
- Energy Star rated appliances;
- Energy efficient water heaters;
- Caulking and weather stripping of doors and windows.