

**REPORT TO MAYOR AND COUNCIL****TO THE HONORABLE MAYOR AND COUNCIL:**

DATE: July 8, 2014

**SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH HELLO HOUSING IN THE AMOUNT OF \$49,000 FOR ADMINISTERING THE CITY'S HOUSING CONSERVATION PROGRAM FUNDED WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS**

**Report in Brief**

The City's Housing Conservation Loan and Grant Program is a resource for low-income homeowners to receive grants up to \$10,000 for emergency home repairs and low-interest (3%) housing rehabilitation loans for needed repairs to maintain the safety and affordability of their home. An agreement with Hello Housing has been developed to administer the program. The administration costs will be funded by CDBG funds.

Staff is recommending that the City Council authorize the City Manager to execute the agreement with Hello Housing in the amount of \$49,000 for FY14-15.

**Background**

Through federal CDBG funds, the City's Housing Conservation Loan and Grant Program provides low-interest housing rehabilitation loans and emergency home repair grants to low and moderate income homeowners for improving their home. The program assists in eliminating conditions that are detrimental to health, safety and public welfare by rehabilitating housing that does not meet building or housing codes.

On November 27, 2007, City Council approved a contract with Contra Costa County for the administration of the Housing Conservation Program. The County administered the program through June 30, 2013. As the County's budget diminished and there was an increasing need to recoup all administrative costs associated with their programs, it became difficult for small grants to be cost effective to administer. County staff expressed their desire to focus on larger loans which yielded more administrative revenue.

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In order to continue accommodating requests for emergency repair grants, the City engaged Hello Housing to administer the program in FY13-14. Hello Housing is a 501(c) 3 nonprofit organization that develops and preserves affordable housing for communities. They are experienced in working with governmental housing programs. In addition, Hello Housing currently provides services to the City's Affordable Housing Program to process first time housing loan applications and monitor inclusionary housing units.

**Discussion**

The Housing Conservation Loan and Grant Program is a resource for low-income residents to receive grants up to \$10,000 for emergency home repairs and low-interest (3%) housing rehabilitation loans for needed repairs to maintain the safety and affordability of their home. The program requires intensive time to meet with the homeowner, develop a scope of work, solicit bids from contractors, assist the homeowner in selecting a bid and executing an agreement with the contractor, prepare grant or loan documents for signature, oversee construction progress and completion, and authorize payment to contractors. Hello Housing provides these services through the administration contracted by the City.

For FY14-15, the City will contract with Hello Housing for up to \$49,000 for administration costs to administer \$221,937 for approximately 15 housing rehabilitation loans and grants.

**Fiscal Impact**

The funds for the agreement with Hello Housing will come from CDBG and have no impact on the General Fund.

**Public Contact**

The agenda has been posted as required by law.

**Recommendation for Action**

Staff recommends that the City Council authorize the City Manager to execute an agreement with Hello Housing in the amount of \$49,000 for administering the City's Housing Conservation Program.



Valerie J. Barone  
City Manager

Prepared by: Marla Parada  
Program Manager

Reviewed by: Joan Carrico  
Director, Parks & Recreation

**CDBG HOUSING REHABILITATION LOAN AND GRANT PROGRAM  
ADMINISTRATION AGREEMENT**

This administration agreement is dated as of July 1, 2014, and is between Hello Housing, a California nonprofit public benefit corporation ("Consultant"), and the City of Concord, a California municipal corporation (the "City").

**RECITALS**

- A. The City has received Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development ("HUD") pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended.
- B. The City has approved the use of \$221,937 of CDBG funds for a housing rehabilitation loan and grant program and \$49,000 for administration of the program through a Consultant. The program will be directed to owner-occupied single-family residences in Concord. This agreement addresses Consultant administration.
- C. The City desires to have the Consultant administer the City's housing rehabilitation loan and grant program. The City is willing to pay the Consultant for providing the services described in this agreement, all as further set forth herein, including on Exhibit "B" Fee Structure, attached hereto and incorporated by reference.

The parties therefore agree as follows:

**AGREEMENT**

- 1. Term. Unless sooner terminated as provided in this agreement, the term of this agreement is from **July 1, 2014** through **June 30, 2015**.
- 2. Consultant Obligations.
  - a. Intake and Review. The Consultant will provide the following services related to the intake and review of loan and grant applications:
    - i. Distribute loan and grant application forms to interested property owners.
    - ii. Consult with property owners and provide information regarding CDBG requirements.
    - iii. Review applications to determine each applicant's loan and/or grant eligibility. To be eligible for a loan and/or grant of CDBG funds, applicants must meet the most current loan and/or grant and moderate-income guidelines established by HUD and the City for the CDBG program. Eligibility for a loan or grant of

CDBG funds will be based on the criteria set forth in the Housing Rehabilitation Loan and Grant Program Overview (Exhibit A).

- iv. Determine whether property complies with Federal environmental requirements with respect to historic preservation, floodplain management, explosive and flammable operations and toxic chemical/radioactive materials. Complete Appendix A of the HUD Environmental Rehabilitation Review Sheet. If applicable, advise the City of the need for consultation with the State Historic Preservation Officer (SHPO). Upon City's approval, submit letter to SHPO with required attachments. Wait for environmental clearance from the City before proceeding with loan or grant application.
  - v. If a loan application appears to meet eligibility standards and the loan is for \$50,000 or more, submit the application to the City for approval.
  - vi. Approve loans to eligible applicants in any amount up to \$49,999.99. Submit a copy of each approved loan application to the City, along with a copy of the executed promissory note and deed of trust.
  - vii. If a loan application appears to meet eligibility standards and the loan sought is a *deferred* loan for an amount greater than \$20,000, submit the application to the City for approval.
  - viii. Approve grants to eligible applicants.
- b. Loan Processing. If a loan and/or grant application is approved, the Consultant will:
- i. Conduct initial inspection of properties of eligible applicants and prepare inspection reports.
  - ii. Assist eligible applicants with securing contractual services to undertake eligible work, including preparing bid packages, noticing the availability of bid packages, reviewing bids received, and confirming the contractor and any subcontractors are not on the list of debarred, suspended, or ineligible contractors. The Consultant may assist the applicant in choosing a contractor from the Contra Costa County's courtesy list of contractors or may assist the applicant in choosing a contractor who has a license from the State Contractor's Board and a business license from the City of Concord.
  - iii. Assist eligible applicants with the preparation of loan/grant application documents.
  - iv. If a loan is being made, prepare the loan documents between the homeowner and the City, under which the homeowner evidences its obligation to repay the loan through the execution of a promissory note, which note is secured by a deed of

trust that names the City as the beneficiary. If a grant is made, prepare the grant documents between the homeowner and the City.

- v. Verify the contractor's general liability, automobile liability and workers' compensation insurance coverage prior to each project start date. The contractor's general liability policy must list the Consultant and the City as additional insured.
  - vi. Verify the contractor's licenses including a business license from the City, and evaluation of contractor's qualifications. For work exceeding \$2,000, verify that the contractor has a license from the State Contractor's Board.
  - vii. Coordinate the signing of Rehabilitation Contract between selected contractor and homeowner, prior to initiation of work. Upon signature, homeowner will be provided an anticipated timeline and completion date for the work.
  - viii. Perform periodic inspections to determine that work is being performed in accordance with the contract between the homeowner and the contractor.
  - ix. Perform final inspection to determine that the work has been completed in accordance with the terms of the contract between the homeowner and the contractor.
  - x. If work is performed in accordance with homeowner's contract with the contractor during the term of the contract, with homeowner's agreement, authorize progress payments to contractor. If work is completed in accordance with homeowner's contract with the contractor, with the homeowner's agreement, accept the work and authorize the final payment to contractor. Consultant shall submit the contractor's progress payment invoices to the City, and the City will pay the contractor's progress payment invoices directly to the contractor. Requests for final payment are to be submitted to the City in the form of an invoice after the work has been accepted. The City will pay the final payment invoice directly to the contractor. All City payments to any contractor shall be subject to the provisions of Section 3.b, below.
- c. Reporting. The Consultant shall report quarterly in City Data Services on the number of applicants and loans signed, jobs completed, demographic data, race/ethnicity, income level, household type, etc., which report is due the 15<sup>th</sup> of the month following the end of each quarter. The report online submission is to include the name of the homeowner, the address and parcel number of the improved property, the loan/grant amount, the term of the loan, if applicable, the type of work performed as a result of the loan/grant, and program demographic information. The report is to contain the name of each contractor, along with the contractor's address and license number.

- d. Records. The Consultant shall maintain all records required by the federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this agreement. Such records are to include, but are not limited to:
    - i. Records providing a full description of each activity undertaken.
    - ii. Records that establish the eligibility of activities.
3. City Obligations. The City is responsible for the following:
- a. Reviewing applications submitted by the Consultant for loans of \$50,000 or more to determine whether to approve the loan and acquire City Council approval, if needed. If the City approves the loan, the City will authorize the Consultant in writing to proceed with the processing of the loan application.
  - b. Issuing payments directly to contractors after written verification from Consultant that (i) the contractor satisfactorily performed the required work and (ii) the contractor's invoice reflects the actual cost, and does not exceed the agreed upon cost, for such work.
  - c. Designing, printing and distributing all promotional literature relating to the program. The City will pay for all printing and other costs associated with the promotional literature. The City will advertise the program in City-published newsletters and similar publications, and will bear the cost of doing so.
  - d. Processing plans, issuing all necessary permits and issuing any relevant final occupancy permits through the City's Building Division. All projects must conform to the City's building codes.
  - e. Determining whether a project meets the City's building codes and taking any code enforcement action it deems necessary.
  - f. Complying with any reporting requirements that may be required by applicable federal and state housing laws and community development laws.
  - g. Paying invoices received pursuant to Section 2.b.x above, within 15 days of receipt.
  - h. Receiving loan repayments from the homeowner. The City is responsible for enforcement of the payment obligation by the homeowner up to and including foreclosure on the property. The City is responsible for collection actions on delinquent loans.
4. Compensation. The City shall pay the Consultant for the services provided by the Consultant to the City under this agreement per the fee structure outlined in Exhibit B. The amount payable to the Consultant under this agreement is estimated not to exceed Forty-Nine Thousand Dollars (\$49,000). So as long as Consultant is not in default under this agreement, in the event that total billings invoiced by the Consultant by June 30, 2015 do not exceed \$20,000, the Consultant shall submit a year-end reconciliation invoice, which shall bring

total billing to \$20,000, it being the parties' intent that \$20,000 is the minimum amount City will pay to the Consultant in consideration of Consultant's administrative costs (e.g. set up, administration) directly attributable to Consultant's work under this agreement.

5. Invoices and Payment. The Consultant shall invoice the City monthly for activities completed per month under this agreement. The City shall pay all amounts due to the Consultant under this agreement within thirty (30) days of receipt of an invoice. In no event will the City's obligation under this agreement exceed Forty-Nine Thousand Dollars (\$49,000).
6. Inspection of Work. It is understood that periodic review of the Consultant's work under this agreement may be necessary and the right to do so is reserved by the City. The City will have access to any books, documents, papers and records of the Consultant that are directly pertinent to the work performed under this agreement, except for confidential attorney/client materials. If required by applicable federal and state housing laws or community development laws, the Contractor agrees to have an annual audit of activities provided to the City under this agreement.
7. Compliance with Federal Requirements. In carrying out the terms of this Agreement, the City and the Consultant shall comply with all applicable CDBG program regulations as contained in 24 CFR Part 570.502 (A) and Subpart K (including initiation and completion of environmental review). In addition, the Consultant agrees to comply with the following:
  - a. CDBG regulations governing the eligibility of fair housing activities as contained in 254 CFR 570.904.
  - b. The attachments as listed below of the Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments (24 CFR part 85), as applicable, including:
    - i. Section 85.3, Definitions.
    - ii. Section 85.6, Additions and exceptions.
    - iii. Section 85.12, Special grant or subgrant conditions for "high-risk" grantees.
    - iv. Section 85.20, Standards for financial management systems, except paragraph (a).
    - v. Section 85.21, Payment, except as modified by Sec.570.513.
    - vi. Section 85.22, Allowable costs.
    - vii. Section 85.26, Non-Federal audit
    - viii. Section 85.32, Equipment, except in all cases in which the equipment is sold, the proceeds are program income.
    - ix. Section 85.33, Supplies.
    - x. Section 85.34, Copyrights.
    - xi. Section 85.35, Subawards to debarred and suspended parties.
    - xii. Section 85.36, Procurement, except paragraph (a);
    - xiii. Section 85.37, Subgrants
    - xiv. Section 85.40, Monitoring and reporting program performance, except paragraphs (b) through (d) and paragraph (f).

- xv. Section 85.41, Financial reporting, except paragraphs (a), (b), and (e).
  - xvi. Section 85.42, Retention and access requirements for records.
  - xvii. Section 85.43, Enforcement.
  - xviii. Section 85.44, Termination for convenience.
  - xix. Section 85.51, Later disallowances and adjustments.
  - xx. Section 85.52, Collection of amounts due.
- c. OMB Circular No. A-87, which relates to cost principles for state, local and Indian Tribal Governments.
  - d. OMB Circular No. A-128, which relates to audits of states, local governments, and non-profit organizations.
  - e. Public Law 88-352, which refers to Title VI of the Civil Rights Act of 1964, "Affirmative Action Program," which provides that no person in the United States shall on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Consultant agrees that it shall be committed to carry out pursuant to the City's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965, and as subsequently amended. The Consultant shall submit a plan for an Affirmative Action Program upon the request of the City.
  - f. Public Law 90-284, which refers to the Fair Housing Act, which states that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap or familial status and which requires that all programs and activities related to housing and community development be administered in a manner to affirmatively further the policies of the Fair Housing Act.
  - g. Section 109 of Title I of the Housing and Community Development Act of 1974, which states that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Community Development funds made available pursuant to this act.
  - h. Section 504 of the Rehabilitation Act of 1973, as amended, which states that no otherwise qualified handicapped individual in the United States shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be discriminated against under any program or activity receiving Federal financial assistance.
  - i. Age Discrimination Act of 1975, as amended, which states that no persons in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

- j. Section 3 of the Housing and Urban Development Act of 1968, which states the work to be performed under this contract is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower-income persons within the unit of local government or the metropolitan area in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the same metropolitan area as the project.
- k. Conflict of interest regulations as contained in 24 CFR 570.611, which require, among other things, that except for approved eligible administrative or personnel costs, no person who is an employee, agent, consultant or officer of the Consultant may obtain a personal or financial interest or benefit from the activity under this Agreement, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Upon written request of the Consultant, the City may request the U.S. Department of Housing and Urban development to grant an exception to the foregoing requirement on a case-by-case basis in accordance with 24 CFR 570.611 (d).
- l. The Consultant will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract the term ‘minority and women-owned business enterprises’ means businesses that are at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, minority group members are African-Americans, Spanish-speaking, Spanish surnamed or Spanish heritage Americans, Asian-Americans, and American Indians. The City may rely on written representations by the Consultant regarding their status as a minority and female business enterprise in lieu of an independent investigation.
- m. The Consultant agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours, and Safety Standards Act, the Copeland (Anti-Kickback) Act (40 U.S.C.276, 327-333) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this contract. The Consultant shall maintain documentation that demonstrates compliance with hour and wage requirements of this section. Such documentation is to be made available to the City for review upon request.

The Consultant agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight households, all contractors engaged under contracts in excess of \$2,000 for construction, renovation or

repair of any building or work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR, Parts 1,3,5, and 7 governing the payment of wages and ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by the state or local law, nothing hereunder is intended to relieve the Consultant of its obligation, if any, to require payment of the higher wage. The Consultant shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirement of this paragraph, for such contracts in excess of \$10,000.

- n. The Consultant agrees that any construction or rehabilitation structures with assistance provided under this contract shall be subject to HUD Lead Based Paint Regulations at 24 CFR Part 35, and in particular Sub-part B: thereof.
- o. Equal Employment Opportunity. All contracts shall contain a provision requiring compliance with E.G. 11246, "Equal Employment Opportunity," as amended by E./P. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulation at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.

**This Consultant shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**

- p. Copeland "Anti-Kickback" Act (18 U.S.C. 276C). All contracts and subgrants in excess of \$2,000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR part 3 "Consultants and Subcontractors on Public Building or Public Work Financed in Whole or In Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing by any means, any person employed in the construction, completion, or repair of public works, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.
- q. Clean Air Act (42 U.S.C. 7401 et. seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et. seq.), as amended. Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et. seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et. seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- r. Debarment and Suspension (E.O. 12549 and 12689). No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O. 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.
- s. The Consultant agrees that funds provided under this Agreement will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the federal regulations specified in 24 CFR 570.200(j)
- t. The Consultant agrees that no funds provided, nor personnel employed under this agreement, will in any way or to any extent be engaged in the conduct of political activities in violation of Chapter 15 or Title V United States Code.

8. Certification.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee or any Agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying, in accordance with its instructions.
- c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that Agency shall certify and disclose accordingly.
- d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

9. Termination. This agreement may be terminated by the Consultant or the City upon ninety (90) days' written notice. Upon termination of this agreement, the City shall pay to the Consultant all amounts due, or previously due, to the Contactor at the time of termination. In the event the Federal funding for this Agreement ceases, this Agreement is terminated. In the event of unforeseeable budget adjustments by the Federal Government, this Agreement is subject to re-negotiation.
10. Amendments. If Federal or State regulations, laws, funding requirements or funding amounts applicable to the subject of this agreement are adopted or revised during the term of this agreement, this agreement will be deemed amended, as necessary, to assure conformance with such Federal and State requirements. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this agreement, except as necessary to comply with Federal or State requirements, such modifications will be incorporated only by written amendment of this agreement signed by the parties.
11. Insurance. Consultant shall, at its own expense, procure and maintain in full force at all times during the term of this Agreement the following insurance:
  - a. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance with limits of no less than one million dollars (\$1,000,000) combined single limit per occurrence or two million dollars (\$2,000,000) aggregate limit for bodily injury, personal injury, and property damage.
  - b. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering all vehicles used in the performance of this Agreement providing a one million dollar (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage.
  - c. Professional Liability Coverage (Errors and Omissions). Where required, Consultant shall maintain professional liability insurance with coverage for all negligent errors, acts or omissions committed by Consultant, its agents and employees in the performance of this Agreement. The amount of this insurance shall be not less than one million dollars (\$1,000,000) on a claims made annual aggregate basis or a combined single limit per occurrence basis.
  - d. All Risk Coverage. Where required, the Consultant shall provide a policy or policies of All Risk Property Damage Insurance including Flooding Plain Insurance whenever applicable, particularly where CDBG funds are used in the acquisition of real property.
  - e. Compliance with State Workers' Compensation Requirements. Consultant covenants that it will insure itself against liability for Workers' Compensation pursuant to the provisions of California Labor Code §3700, et seq. Consultant shall, at all times, upon demand of the City, furnish proof that Workers' Compensation Insurance is being maintained by it in force and effect in accordance with the California Labor Code. The insurer shall also agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by Consultant for City. This provision shall not apply upon written verification by Consultant that Consultant has no employees.

f. Other Insurance Provisions. The policies are to contain, or be endorsed to contain the following provisions:

- (1) Additional Insured. City, its officers, agents, employees, and volunteers are to be covered as an additional insured as respects: Liability arising out of activities performed by or on behalf of Consultant and operations of Consultant, premises owned, occupied, or used by Consultant. The coverage shall contain no special limitations on the scope or protection afforded to City, its officers, officials, employees, or volunteers.

Except for worker's compensation and professional liability insurance, the policies mentioned in this subsection shall name City as an additional insured and provide for notice of cancellation to City. Consultant shall also provide timely and prompt notice to CITY if Consultant receives any notice of cancellation or nonrenewal from its insurer.

- (2) Primary Coverage. Consultant's insurance coverage shall be primary insurance with respect to City, its officers, officials, employees, and volunteers. Any insurance, risk pooling arrangement, or self-insurance maintained by City, its officers, officials, employees, or volunteers shall be in excess of Consultant's insurance and shall not contribute with it.
- (3) Reporting Provisions. Any failure to comply with the reporting provisions of the policy shall not affect the coverage provided to the City, its officers, officials, employees, or volunteers.
- (4) Verification of Coverage. Consultant shall furnish City with certificates of insurance and the original endorsements effecting coverage required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The aforementioned policies shall be issued by an insurance carrier having a rating of Best A-7 or better which is satisfactory to the City Attorney and shall be delivered to City at the time of the execution of this Agreement or before work commences. Such policies and certificates shall be in a form approved by the City Attorney. City reserves the right to require complete certified copies of all required insurance policies at any time.

12. Indemnification. The City agrees to indemnify and hold harmless the Consultant and its officers and employees for the City's share of any and all claims, costs and liability, including attorneys fees, for any damage, injury or death of or to any person or the property of any person arising out of the willful misconduct or the negligent acts, errors or omissions of the City in the City's performance under this agreement. The Consultant agrees to indemnify and hold harmless the City and its officers and employees for the Consultant's share of any and all claims, costs and liability, including attorneys fees, for any damage, injury or death of or to any person or the property of any person arising out of the willful misconduct or the negligent acts, errors or omissions of the Consultant in the Consultant's performance under this agreement.

13. Third Parties. Nothing in this agreement is intended, nor shall it be construed, to create rights inuring to the benefit of third parties.

- 14. Remedies. The Consultant and City waive their respective rights to trial by jury of any claim or cause of action arising out of this agreement.
- 15. Notice. All correspondence regarding this agreement, including invoices, payments, and notices, shall be delivered by deposit in the United States mail, postage prepaid, and shall be directed to the following persons at the following addresses:

Consultant: Mardie Oakes, Executive Director  
Hello Housing  
1242 Market Street, 3<sup>rd</sup> floor  
San Francisco, CA 94102

CITY: Marla Parada  
Program Manager  
Community Services Division/ Parks &  
Recreation Department  
City of Concord  
1950 Parkside Drive, M/S 10.  
Concord, CA 94519

- 16. Construction. The section headings and captions of this agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this agreement. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this agreement. This agreement may not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. The parties to this agreement and their counsel have read and reviewed this agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply to the interpretation of this agreement. The Recitals are, and are to be enforceable as, a part of this agreement.
- 17. Severability. If any term or provision of this agreement is, to any extent, held invalid or unenforceable, the remainder of this agreement will not be affected.
- 18. Authorizations Obtained. The person executing this agreement on behalf of the City represents that he or she has the requisite legal authority to enter into this agreement on behalf of the City and to bind the City to the terms of this agreement. The person executing this agreement on behalf of the Contactor represents that he or she has the requisite legal authority to enter into this agreement on behalf of the Consultant and to bind the Consultant to the terms of this agreement.
- 19. Entire Agreement. This agreement contains the entire agreement between the parties and all prior understandings or agreements, oral or written, regarding this matter are superseded.

HELLO HOUSING

CITY OF CONCORD

By: \_\_\_\_\_  
Mardie Oakes, Executive Director  
Project Manager – Hello Housing

By: \_\_\_\_\_  
Valerie Barone  
City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

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

By: \_\_\_\_\_  
Mark Coon  
City Attorney

**FINANCE DIRECTOR'S CERTIFICATION:** CONCORD, CA DATE: \_\_\_\_\_

I hereby certify that adequate CDBG funds exist or will be received during the current fiscal year 2014-15 to pay the anticipated expenses to be incurred pursuant to this contract.

To wit: the sum of  
\$49,000 Housing Administration

Acct #252-8800-1Z01-63800-400

By: \_\_\_\_\_  
City of Concord  
Finance Director

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**City of Concord**  
**Housing Rehabilitation Loan and Grant Program - Administrative Guidelines**

I. Introduction

- A. The Housing Rehabilitation Program is funded with Community Development Block Grant (CDBG) funds.
- B. The City of Concord will enter into a contract with consultant Hello Housing to administer the City's Housing Rehabilitation Loan and Grant Programs.

II. Objectives

- A. The intent of the City's Housing Rehabilitation Loan and Grant Program is to provide low-interest rehabilitation loans and emergency grants to low-income homeowners in the City of Concord for the purpose of improving their homes.
- B. The program is designed to achieve the following goals:
  - Upgrade substandard single-family owner-occupied housing.
  - Contribute to the revitalization of housing and assist in stabilizing challenged neighborhoods.
  - Prevent displacement of lower income families.
- C. Eliminate conditions that are detrimental to health, safety and public welfare by rehabilitating housing that does not meet building or housing codes.
- D. Stabilize and enhance older neighborhoods to encourage future investment from the private sector and from other public funds and programs.

III. Rehabilitation Loan and Grant Program Overview

The Rehabilitation Loan and Grant Program consists of the Single Family Loan Program and the Rehabilitation Grant Program including: Mobile Home Loans, Emergency Repair and Accessibility Grants, Weatherization and Home Security Grants for Seniors, and Lead-based Paint Abatement Grants.

A project must require rehabilitation based on Housing Rehabilitation Loan and Grant Program Administrative Guidelines pertaining to Contra Costa County Neighborhood Preservation Specifications and Standards, local codes, local rehabilitation standards, zoning ordinances, and cost effective energy conservation and effective standards.

Eligibility for the Housing Rehabilitation Programs is generally the same for each of the separate loan and grant programs with household income as a primary eligibility factor. Table 1, Contra Costa County Median Income, provides an overview of the income

categories. For example, an applicant for the Rehabilitation Loan Program must be at or below 80% of the Area Median Income (for CDBG, this is referred to as moderate income with 50% referred to as Low Income). Based on Table 1, below, a family of four applying for a Rehabilitation Loan is eligible if the combined household income is at or below **\$67,600**, annually. In addition to income, there are guidelines specific to each of the separate Housing Programs, providing instructions for the management of the programs and distribution of the program funds.

A homeowner is eligible for one loan or grant in a twelve (12) month period.

#### **A. Single Family Rehabilitation Loans**

1. The City's Single Family Home Rehabilitation Loan makes available to qualified residents Low Interest Rate (3%) Home Repair Loans to assist homeowners with major repair work on their homes under current guidelines. This loan program provides loans, up to a total maximum of \$55,000, for owner-occupants of single family homes with families of up to 80% of the area median income. The \$55,000 loan maximum includes contingencies and loan fees.
2. Loan Parameters
  - a. Loan interest rate is fixed at 3%.
  - b. Loans are repaid with regular monthly installments. The maximum loan term is 15 years. There is no pre-payment penalty.
  - c. Deferred payment loans require one large payment due upon maturity of specified payment date or upon sale or transfer of title, whichever is earlier. Deferred payment loans are available to senior (age 60+) or disabled homeowners and require the approval of the City Community Grants Manager.
  - d. The maximum loan to value ratio may not exceed 85%. This includes the City's loan and all loans on the house. This ratio is based upon the after-rehabilitation value.
  - e. Loans are secured with a Deed of Trust on the property. All existing liens will be evaluated to determine if the property can be used as security for the loan.
  - f. Work must be completed by State licensed, insured contractors or, in some cases, the homeowner. Work is limited to eligible loan improvements (Attachment 1).
  - g. Loans funded under this program are not assumable, unless specifically indicated in the loan promissory note and/or deed of trust.
  - h. A credit check, employment and income verification, title search and verification of homeowners insurance are required as part of the loan application. Loan fees may range from \$375 to \$450. These fees can be included as part of the loan.
  - i. Properties to receive repair must be located within the incorporated boundaries of the City of Concord.
  - j. The annual family income for eligibility must be no more than 80% of Area Median Income levels, as noted in the bold line of Table 1.

- k. In addition to annual income, household assets must not exceed \$20,000 for a single householder or \$30,000 for a household of two or more. Assets are defined as: savings accounts, time certificates of deposit, equity in stocks or bonds, real property, or any other capital investments. Assets exclude the principal residence and other personal effects such as furniture, appliances and automobiles.

**Table 1**  
**Contra Costa County Median Income**  
Effective July 1, 2014

Income Category	Number of Persons in Household						
	1	2	3	4	5	6	7
Extremely Low (30%)	\$19,350	\$22,100	\$28,850	27,600	\$29,850	\$32,050	\$36,030
Low Income (50%)	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050
<b>Mod. Income (80%)</b>	<b>\$47,350</b>	<b>\$54,100</b>	<b>\$60,850</b>	<b>\$67,600</b>	<b>\$73,050</b>	<b>\$78,450</b>	<b>\$83,850</b>

*Source: Contra Costa County Median Income, as determined by the Department of Housing and Urban Development (HUD).*

3. Repair work shall focus on:
- a. The correction of health and safety code items;
  - b. Repair or replacement of roofs, electrical, plumbing;
  - c. Foundations;
  - d. Bath and kitchen repairs; and/or
  - e. Related necessary repairs not to exceed 10% of the total repair.

Prioritize loan improvements as A, B, C activities (Attachment 1) permitting 90% of the loan or total amount of loan combined with grants to incorporate Priority A or B improvements and 10% of the loan amount for Priority C related work. In the instance where the maximum loan amount entails solely Priority A and B work, there shall be no Priority C improvements approved for the rehabilitation work.

4. Loans and grants shall not be combined, except in the case of Lead-based Paint Abatement Grants, which may be combined with either of the loans. In such instances, the maximum amount would be equivalent to the loan (\$55,000) plus the amount of the lead abatement (typically up to \$22,500).
5. Once a homeowner receives a loan, the homeowner enters into a contract with a contractor to complete the rehabilitation project. The City/County is not a party to these contracts. As a condition of receiving a loan, a homeowner must agree to

allow the City/County to enter the home and inspect to determine whether the rehabilitation work complies with building, housing and safety codes.

6. A \$75.00 loan origination fee will be charged the borrower by the City. In addition, title, lien, registration appraisal, and related administrative costs shall be charged by the City. These fees may be paid with loan proceeds and will be adjusted annually in the Fees and Charges Resolution.
7. Loan amendments may be allowed on a case by case basis. Loan amendments occur when an initial loan has been made for less than the maximum amount and at a later date a second request is made for a Priority A Repair (Mandatory code, health and safety item). The loan will be updated to the additional amount and interest will begin accruing on the larger amount.
8. Deferred loans are due upon sale or transfer of the home or upon death of the home owner, through subsequent sale of the home by the executor. The County currently collects installment loans and forward funds to the City, semi-annually.

#### **B. Mobile Home Rehabilitation Loans**

1. Mobile Home Rehabilitation Loans are made available to qualified residents to assist homeowners with major repair work on their homes under current guidelines. This loan program provides loans up to a total maximum of \$15,000, for owner-occupants of mobile homes with families of up to 80% of the area median income.

#### **C. Emergency Repair and Accessibility Grants**

1. Emergency Repair and Accessibility Grants are made available to qualified residents to assist single family homeowners and mobile home owners with major repair work on their homes under current guidelines. Larger grants are typically provided to those homeowners requiring work to be performed, but who are unable to meet the 85% loan to value ratio. This program provides grants up to a total maximum of \$10,000, for owner-occupants of single family homes and mobile homes with families of up to 80% of the area median income.
2. Repair work shall focus on:
  - a. Roofs, heating, plumbing and electrical work;
  - b. Replacement of damaged water heaters;
  - c. Construction of ramps, railings, grab bars, etc. for handicapped accessibility;  
&
  - d. Other related repairs as deemed necessary by the Housing Program.

#### **D. Weatherization and Home Security Grants for Seniors**

1. Weatherization and Home Security Grants for Seniors (age 60 years and older) are made available to qualified residents to assist homeowners with minor repair work on their homes under current guidelines. This program provides grants up to

a total maximum of \$2,000, for owner-occupants of single family homes and mobile homes with families of up to 80% of the area median income.

2. Repair work shall focus on:
  - a. Insulation for attics and walls;
  - b. Weatherstripping for doors and windows;
  - c. Security lighting;
  - d. Security doors and security screens;
  - e. Energy efficient windows;
  - f. Smoke detectors and carbon monoxide detectors; &
  - g. Other related repairs as deemed necessary by the Housing Program.

#### **E. Lead Based Paint Abatement Grants (City-wide)**

1. Lead-Based Paint Abatement Grants are made available to qualified residents to assist homeowners with repair work on their homes under current guidelines, when they have tested positive for lead. This program provides grants, up to a maximum of \$22,500, for owner-occupants of single family homes with families earning up to 80% of the area median income. The grant maximum includes contingencies and administrative fees.
2. The only loan and grant that may be combined is a Rehabilitation Loan and a Lead-Based Paint Abatement Grant. In this situation, the maximum loan amount may exceed the \$55,000 maximum by the amount of the Lead-Based Pain related work.

#### **IV. Subordinations for Refinance Overview – (City)**

The following documents must be submitted for review prior to approval of the subordination of the loan, as necessary to accommodate a refinance of the loan, as necessary. The loan processor for the subject bank shall submit the required documents and staff will review materials and make a determination on the subordination. These include:

- A letter from the new lender requesting subordination.
- A copy of the new loan application to determine purpose of the re-written loan.
- A copy of the new title report and appraisal.
- No additional “seconds” or equity line.
- No cash out to owner. (Please note, amount borrowed must be exact amount due on loan to be refinanced, no loan proceeds may go to the homeowner.)
- First plus City's second cannot be more than 85% of property value unless borrower has a net monthly savings on housing costs.
- A copy of the closing settlement statement.
- Property insurance with City as additional insured.

Timeline for review and signing of the subordination agreements is approximately 2-3 weeks for review and approval.

V. Administration of Housing Rehabilitation Loan and Grant Program

The City of Concord's consultant Hello Housing performs all the functions necessary to make housing rehabilitation loans and grants to low and moderate-income owner occupants of single family homes within the City of Concord. The City funds the program and coordinates with consultant Hello Housing on approval of deferred loans, invoices and coordination of check payments back to consultant for distribution to contractors.

A. Process flow

Scope of Services

Consultant Hello Housing agrees, to perform all the functions necessary to make housing rehabilitation loans and grants to low and moderate-income owner occupants of single family homes within the CITY. These functions include, but are not limited to the following activities.

Marketing

- a. Distribute all promotional literature relating to the program. CITY shall be responsible for the cost of design and printing promotional literature for distribution by consultant Hello Housing.
- b. Distribution of applications to interested property owners.

Initial Contact

- c. Consultations with property owners and explanation of rehabilitation program requirements.
- d. Conduct initial inspection of properties of rehabilitation program applicants and preparation of inspection reports.

Preparation of Documents

- e. Preparation of rehabilitation contract specifications and preparation of inspection reports.
- f. Assistance to program applicants with the preparation of loan and/or grant application documents.
- g. Determine each applicant's loan and/or grant eligibility pursuant to Section III above. If a deferred loan of greater than

\$20,000 is requested, consultant will request an approval from City staff.

- h. Compliance with Federal environmental requirements with respect to historic, floodplain management, explosive and flammable operations and toxic chemical/radioactive materials upon CONSULTANT providing information to CITY for completion of Appendix A of the Department of Housing and Urban Development's Rehabilitation Environmental Review Sheet. Consultant will coordinate review and signature of Appendix A by City, prior to commitment of funds or contracts. For those residences greater than 50 years old, where work proposed to be conducted is not limited to interior work, Consultant will advise City of the need for a State Historic Preservation Officer (SHPO) consultation. The Consultant Hello Housing will initiate consultation to SHPO through submittal of SHPO Forms 523A and B with pictures to SHPO (registered mail). Consultant will need to anticipate a delay of at least 35 days pending a response by SHPO.
- i. Review of contractor's bids to determine that all items in contract specifications have been addressed and that proposed costs are reasonable and in accordance with the CITY's Housing Rehabilitation Administrative Guidelines.
- j. Verification of contractor's licenses including a business license from the CITY and evaluation of contractors' qualifications. This shall include verification for work exceeding \$2,000 that the contractor has a license from the State Contractors' Board.
- k. Confirmation that contractor or subcontractor is not on list of debarred, suspended or ineligible contractors.
- l. Signed and approved (Consultant) Appendix A will be returned to City, along with any request for deferred loan greater than \$20,000, and SHPO response letter, prior to initiation of work, release of funds or signing of rehabilitation contract by Homeowner.

#### Signing of Documents

- m. Consultant will coordinate signing of Rehabilitation Contract with selected Contractor, prior to initiation of work. Upon signature, homeowner will be provided an anticipated timeline and completion date for the work.

### Completion of Work

- n. Periodic progress inspections will be conducted by CONSULTANT to determine that rehabilitation work has been properly performed in accordance with the terms of the contract. CITY inspectors will perform final inspections and sign off and “final” building permits when work is complete. Consultant shall coordinate with CITY’s Building Official or his/her designee on issuing building permits, collecting applicable fees and closing out building permits for rehabilitation work.
- o. CITY shall coordinate, as needed, with CONSULTANT by providing homeowners referral services to the Single Family Housing Rehabilitation Program
- p. In conjunction with property owner, CONSULTANT accepts the work and authorizes payments to contractor for work completed. Consultant shall request payment through invoice to City three (3) days after loan signing for 80% of the loan or grant and the remaining 20% once the job is completed.

### Job Closeout

- q. Provide CITY with copies of loan applications, executed Promissory Notes and Deeds of Trust. City shall obtain quarterly reports regarding loan application status and other data required to document program performance through the online reporting system City Data Services.

**EXHIBIT "B"**  
FEE STRUCTURE

**ACTIVITIES AND BILLING**

Over the term of this contract, the Consultant shall perform the following administrative activities for the City of Concord's Housing Rehabilitation Loan and Grant Program:

One-time Setup	Create custom webpage for the program, to include on Hello Housing's website and set up dedicated phone line. Update admin guidelines and design workshop.	\$2,500 (one-time)
Processing of Applications	Collect all required documents from the applicant. Screen documents and information provided for income and program eligibility. Provide an income calculator, detailed checklist and recommendation for approval, with the complete file to the City.	\$600/per file
Initial Site Visit	Perform initial property inspection to determine need for rehabilitation work. Prepare written scope of work.	\$475
HUD Appendix A	Complete HUD Appendix A and submit to City for review.	\$100/per file
Generation of GFE, TIL and Notice to Cancel	Prepare and issue to homeowner the Good Faith Estimate, Truth in Lending Disclosure and Notice of Right to Cancel.	\$100/per file
Generation of Program Documents with Recorded Deed of Trust	Coordinate collection of required information needed to complete City documents including loan agreements, notes, DOTs and escrow instructions. Create the documents and route with instructions for signatures and notarizing at the City. Coordinate recordation of docs with the City.	\$600/per file
Generation of Program Documents	Create program documents including Owner's participation Agreement and Agreement for Structure Rehab and route for City signature. Meet with homeowner to collect homeowner's signature. Store fully executed documents in database and return to City for record keeping.	\$350/per file
Coordination and Review of Contractor's Bids	Assist eligible applicants with securing contractual services to undertake rehab work, including conducting a bid walk, preparing bid packages, noticing the availability of bid packages, reviewing bids received and presenting comparison of bids to homeowner, and confirming the contractor and any subcontractors are not on the list of debarred, suspended, or ineligible contractors.	\$450
Construction Inspections	Perform progress property inspections as needed. Perform final inspection upon completion of the rehabilitation to confirm scope of work was completed accordingly.	\$350/site inspection \$150/site visit without construction report
Monitoring	Annually send up to 3 letters/phone calls requesting verification of occupancy and any other compliance requirements of program. If no response after 3 attempts follow up available at an hourly rate. All monitoring outreach attempts and results will be tracked in the database and reported to the City annually.	\$200 per file

<b>Hourly Fees for Services Outside of Base Scope Listed Above</b>	
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Executive Director	\$125 per hour
Program Director	\$95 per hour

Dated 6.25.14

Construction Manager	\$90 per hour
Program Manager	\$65 per hour
Program Associate	\$45 per hour

**MINIMUM COMPENSATION FOR FISCAL YEAR 2014/2015**

So as long as Consultant is not in default under this agreement, in the event that total billings invoiced by the Consultant by June 30, 2015 do not exceed \$20,000, the Consultant shall submit a year-end reconciliation invoice, which shall bring total billing to \$20,000, it being the parties' intent that \$20,000 is the minimum amount City will pay to the Consultant in consideration of Consultant's administrative costs (e.g. set up, administration) directly attributable to Consultant's work under this agreement.