

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

This administration agreement (this “Agreement”) is dated as of November 1, 2014, and is between Contra Costa County, a political subdivision of the State of California (the “County”), and the City of Antioch, public body corporate and politic (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 Three Hundred Thousand Dollars (\$300,000) in FY 2013/14, 2014/15, and 2015/16 CDBG funds for a housing rehabilitation loan and grant program. The program will be directed to owner-occupied single-family residences in Antioch.
- C. The City desires to have the County administer the City’s housing rehabilitation loan and grant program. The City is willing to pay the County for providing the services described in this Agreement.

The parties therefore agree as follows:

### **AGREEMENT**

- 1. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement is from November 1, 2014 through June 30, 2016.
- 2. County Obligations.
  - a. Intake and Review. The County 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 County NPP Policies and Guidelines (Exhibit A) attached hereto.

- iv. Confirm property is within City Neighborhood Stabilization Program/Code Enforcement Area, as mapped in Exhibit B.
  - v. Determine whether property complies with federal environmental requirements with respect to historic preservation, floodplain management, explosive and flammable operations and toxic chemical/radioactive materials. Provide information to the City to enable City to 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). Wait for environmental clearance from the City before proceeding with loan or grant application.
  - vi. If a loan application appears to meet eligibility standards and the loan sought exceeds \$40,000, submit the application to the City for approval.
  - vii. Approve loans to eligible applicants in any amount up to and including \$40,000. Submit a copy of each approved loan application to the City, along with a copy of the executed promissory note and deed of trust.
  - viii. If a loan application appears to meet eligibility standards and the loan sought is a *deferred* loan for an amount greater than \$40,000, submit the application to the City for approval.
  - ix. Approve grants to eligible applicants.
- b. Loan Processing. If a loan and/or grant application is approved, the County 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 County may assist the applicant in choosing a contractor from the 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 Antioch.
  - 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. Contractor's general liability policy must list the County and the City as additional insureds.
- 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 with selected Contractor, 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, make progress payments to contractor. Progress payments are to be made by the County within 30 days following its receipt of a request from the contractor for payment in the form of a payment voucher.

If work is completed in accordance with homeowner's contract with the contractor, with the homeowner's agreement, (i) accept the work and make the semi-final payment to contractor, and (ii) record the Notice of Completion. The semi-final payment is to be made by the County within 30 days following its receipt of a request from the contractor for payment in the form of a payment voucher.

Make the final payment to the contractor 35 days after the date the Notice of Completion is recorded.

- c. Reporting. The County shall report quarterly in the online reporting system 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. Backup documentation will include a detailed report identifying all loans and grants made with CDBG funds that are administered by the County under this Agreement. The report 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 County 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 County for loans in excess of \$40,000 to determine whether to approve the loan. If the City approves the loan, the City will authorize the County in writing to proceed with the processing of the loan application.
- b. Providing to the County funds sufficient for payment to the contractor. The City shall provide such funds to the County in periodic installments. Each payment is to be made upon receipt of a payment demand from the County, which will be made following a payment request from the contractor as described in Section 2.b.x above.
- 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 on the City website and in other ways in which it deems appropriate, 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. Receiving loan repayments from the homeowner and taking any necessary collection action on delinquent loans.

4. Compensation. The City shall pay the County for the services provided by the County to the City under this Agreement. The amount payable to the County will be calculated as follows:

- a. The City shall pay the County Seven Hundred Fifty Dollars (\$750) for each loan/grant application processed under this Agreement, whether or not a loan or grant is actually funded.

- b. The City shall pay the County an additional Seven Hundred Fifty Dollars (\$750) for each initial inspection made by the County under this Agreement, whether or not a loan or grant is actually funded.
    - c. The City shall pay the County twenty percent (20%) of the loan or grant amount of each transaction funded, which amount includes the One Thousand Five Hundred Dollars (\$1,500) paid to the County pursuant to subsections a. and b. of this Section 4.
5. Invoices and Payment. The County shall invoice the City quarterly for amounts due under this Agreement. The City shall pay all amounts due to the County under this Agreement within thirty (30) days of receipt of an invoice.
6. Inspection of Work. It is understood that periodic review of the County's work under this Agreement may be necessary and the right to do so review is reserved by the City. The City will have access to any books, documents, papers and records of the County 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 County 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 County shall comply with all applicable CDBG program regulations as contained in 24 CFR Part 570.502 (A) and Subpart K, except the City is responsible for initiation and completion of environmental review. In addition, the County 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 County 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 County 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 County 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 County, 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 County 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 County regarding their status as a minority and female business enterprise in lieu of an independent investigation.
- m. The County 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 County 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 County 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 County of its obligation, if any, to require payment of the higher wage. The County 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 County agrees that any construction or rehabilitation structures with assistance provided under this Agreement 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.O. 11246, "Equal Employment Opportunity," as amended by E.O. 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."
- 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 "Contractors 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 County 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 County 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 of Title V United States Code.

8. Certification.

In accordance with 31 U.S.C. § 1352, 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 of 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 of the 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. If budget adjustments by the Federal Government, affect the funds available to the City to carry out its housing rehabilitation loan and grant program, this Agreement is subject to amendment pursuant to Section 10 below; provided, however, if the Federal funding for this Agreement ceases entirely, this Agreement will automatically terminate, except with regard to (i) any outstanding payments owed to contractors per Section 2.b.x above, and (ii) the indemnification obligations set forth in Section 11 below.

This Agreement may be terminated by the County or the City upon ninety (90) days' written notice.

Upon termination of this Agreement, the City shall pay to the County all amounts due, or previously due, to the County at the time of termination.

10. Amendments. If Federal or State regulations, laws, funding requirements or funding amounts (short of complete cessation of Federal funding) 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. Subject to the preceding sentence, modifications to this Agreement may only be effected by a written amendment signed by the parties.
11. Indemnification. The City agrees to indemnify and hold harmless the County 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 sole or active negligent acts, errors or omissions of the City in the City's performance under this Agreement. The County agrees to indemnify and hold harmless the City and its officers and employees for the County'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 County in the County's performance under this Agreement.
12. Third Parties. Nothing in this Agreement is intended, and may not be construed, to create rights inuring to the benefit of third parties.
13. Remedies. The sole remedy for violation of this Agreement is the specific performance of this Agreement. The County and City waive their respective rights to trial by jury of any claim or cause of action arising out of this Agreement. The County and City have no liability for damages to one another or to any person or entity resulting from any violation of this Agreement.
14. Notice. All correspondence regarding this Agreement, including invoices, payments, and notices, is to be delivered by deposit in the United States mail, postage prepaid, and directed to the following persons at the following addresses:

COUNTY: John Kopchik, Interim Director  
Contra Costa County  
Department of Conservation & Development  
30 Muir Road  
Martinez, CA 94553

CITY: Tina Wehrmeister  
Director  
Community Development and Recreation  
City of Antioch  
P.O. Box 5007  
Antioch, CA 94519

15. 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.
16. 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.
17. 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 County represents that he or she has the requisite legal authority to enter into this Agreement on behalf of the County and to bind the County to the terms of this Agreement.

[Remainder of Page Intentionally Blank]

18. 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.

CONTRA COSTA COUNTY

CITY OF ANTIOCH

By: \_\_\_\_\_  
John Kopchik,  
Interim Director, Department of  
Conservation and Development

By: \_\_\_\_\_  
Tina Wehrmeister,  
Director, Community Development  
and Recreation

APPROVED AS TO FORM:  
Sharon L. Anderson, County Counsel

APPROVED AS TO FORM:  
Lynn Nerland, City Attorney

By: \_\_\_\_\_  
Kathleen Andrus  
Deputy County Counsel

By: \_\_\_\_\_  
Lynn Nerland  
City Attorney

CONTRA COSTA COUNTY  
Department of Conservation and Development  
Neighborhood Preservation Program  
Policies and Guidelines  
**(Adopted by the Board of Supervisors on March 1, 2011)**

I. INTRODUCTION

- A. This document sets forth policies for owner-occupied residential rehabilitation financial assistance in the form of low and zero-interest loans, and grants, as authorized by the Community Development Block Grant (CDBG) program (24 CFR Part 570).
- B. The program is available throughout the CDBG Urban County, which is all of Contra Costa County, except for the cities of Antioch, Concord, Pittsburg, Richmond, and Walnut Creek.
- C. NPP has established several housing rehabilitation target areas. The target areas are consistent with the CDBG 2010-2015 Consolidated Plan Low Income Areas. The program will be marketed to the target areas; however, all eligible households may apply. The current target areas are listed in Appendix A.

II. OBJECTIVES AND PRIORITIES

A. Primary Objective

The primary objective of the Neighborhood Preservation Program (NPP) is to assist in the maintenance of viable communities by providing decent housing and a suitable living environment in the community, principally for persons of low and moderate income<sup>a</sup>, consistent with provisions of the CDBG program.

B. Specific Objectives

- 1. Eliminate slums and blight, and prevent blighting influences that cause the deterioration of property and neighborhoods.
- 2. Eliminate conditions that are detrimental to health, safety and public welfare by rehabilitating housing that does not meet building codes.
- 3. Stabilize and enhance older neighborhoods to encourage future investment from the private sector and from other public funds and programs.
- 4. Develop economically integrated communities to allow low and moderate-income residents to enjoy the benefits of economic revitalization.

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<sup>a</sup> See Appendix B for current income limits by household size. Appendix B will be updated to reflect current annual income limits as they become available.

To attain these objectives, the County has developed a financial assistance program consisting of low and zero-interest loans and grants. The loans and grants must be used to rehabilitate owner-occupied homes. Eligibility for loans is based on household income, ability to service an additional monthly housing payment, and home equity. The intent of the program is to reach the maximum number of households, while at the same time ensuring a maximum return on loans to make future assistance available to other households. Grants are limited to emergency repair work and provided to households who do not meet the minimum loan eligibility requirements in Section V.

As a condition of receiving a loan or grant, a homeowner must agree to allow the County to enter the premises and inspect the premises to determine whether the rehabilitation work complies with building, housing and safety codes.

Once a homeowner receives a loan or grant commitment from NPP, the homeowner enters into a contract with an independent contractor to complete the rehabilitation project. The County is not a party to these contracts.

C. Priorities for Award of Loans and Grants

It is the intent of this program that each applicant household first be evaluated for eligibility under the low interest loan element, then for the zero-interest loan element, and finally for a grant. The program intends to maximize the use of loans in order to establish a revolving fund for future program years. The origination of a combination interest bearing loan/zero-interest-deferred loan/grant is permissive under these policies. In all cases, if the household qualifies for a conventional market rate loan, it would not be eligible for either a loan or grant.

Applications will be evaluated and processed as received, based on the eligibility criteria and requirements stated in the following sections of these guidelines. The evaluation will consist of an initial determination of the eligibility of the applicant followed by a determination of the needed repairs of the structure. Financial assistance will be awarded to applicants in the order in which their complete application materials are compiled for eligibility determination.

III. GENERAL PROPERTY REQUIREMENTS AND APPLICANT ELIGIBILITY

A. General Property Requirements

Owner-occupied single family structures, duplexes and mobile homes will be eligible for rehabilitation loan or grant assistance, if the property

1. is in need of repair to eliminate hazardous conditions and/or other code violations,

2. has no conditions that cannot be mitigated pursuant to the National Environment Policy Act (24 CFR part 58) and Section 202(a) of the Flood Disaster Protection Act of 1973,
3. in the case of the second unit in a duplex that is a rental property, conforms with State and federal non-discrimination regulations.

**B. Applicant Eligibility**

An eligible applicant is one who

1. is an owner-occupant of a single-family home, duplex<sup>b</sup>, or mobile home in need of the repairs listed in Section IV.B,
2. has owned and occupied the property for a minimum of six months prior to applying for NPP assistance,
3. is a member of a household with a low (up to 50% area median income) or moderate income (between 51 and 80% AMI)<sup>c</sup>,
4. has assets that, for an elderly (age 62 or over) and/or disabled household, does not exceed \$30,000, and for a non-elderly household, has assets which do not exceed \$15,000. Assets include bank accounts, stocks, bonds, investments, and real estate holdings, but do not include the principal residence or defined retirement accounts for non-senior household. Approved defined retirement accounts must not be accessible without penalty, and
5. in the case of the second unit in a duplex that is a rental property, applicant agrees that, upon receipt of a loan from the County:
  - a. rents and other charges shall not be increased beyond the greater of actual increases in property taxes and assessments, or the percentage increase in the Bay Area cost of living index issued by the U.S. Department of Commerce; or
  - b. the second unit in the duplex to be rehabilitated will be rented to families utilizing the federal Section 8 Housing Choice Voucher Program.

**IV. ELIGIBLE IMPROVEMENTS**

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b For the purposes of NPP, duplex is defined as one structure with two living units or two single-family structures on one parcel.

c Income levels are defined as a percentage of the area median income (AMI) for the Oakland Primary Metropolitan Statistical Area as adjusted for household size and defined by the U.S. Department of Housing and Urban Development (HUD).

Work and items of repair eligible under the program are to be completed as available funds allow, in the following order of priority:

- A. To make repairs and improvements necessary to the structure to correct health and safety hazards;
- B. To make other repairs and improvements as necessary, including the following:
  - 1. exterior painting;
  - 2. physical modifications designed to improve the mobility of handicapped or elderly persons;
  - 3. improvements to conform to code standards applicable to existing residential structure to ensure safe, decent, and sanitary housing;
- C. To correct any incipient deficiencies which would make it impossible for a structure to be brought to and readily maintained at code standards;
- D. To replace built-in cooking appliances when required for safety reasons;
- E. To enlarge a room or finish an attic or basement in order to alleviate a condition of overcrowding, as specified in Chapter 5 of the Uniform Housing Code;
- F. To remove unrepairable secondary buildings, structures, and other blighting;
- G. To make other general property repairs and/or improvements if funds are available and when the amount spent does not exceed 40 percent of the loan amount. General repairs or improvements are not allowed under the grant program described in Section V, below.

## V. REHABILITATION LOAN AMOUNTS, TERM, AND SECURITY

### A. Loan Amounts

- 1. The maximum amount for a rehabilitation loan shall not exceed \$50,000 for a single family dwelling with an additional \$3,000 allowed for the second unit in a duplex.
- 2. The maximum loan amount for a mobile home is \$15,000 and will be allowed only if there is no other loan on the coach.
- 3. The loan maximums specified above are subject to the following allowances and limitations:
  - a. General property repairs or improvements as allowed under Section IV.G cannot exceed 40 percent of the loan amount.



- b. The maximum loan amount specified in (1) above may be exceeded by \$5,000 to meet code requirements without general improvements.
- c. The rehabilitation loan plus existing indebtedness against the property shall not exceed 90 percent of the appraised after-improvement value of the property at the time the loan is approved.

B. Interest Rates

1. Low-Interest Loans

- a. Low-Interest Loans have a three percent interest rate.
- b. Low-Interest Loans are loans provided to households with moderate income (between 51 and 80 percent AMI).
- c. Low-Interest Loans require monthly payments of principal and interest.

2. Zero-Interest Loans

- a. Zero-Interest Loans do not bear interest.
- b. Zero-Interest Loans are loans provided to households with low income (up to 50 percent AMI), and to households with moderate income (between 51 and 80 percent AMI) when the monthly payments required under Low-Interest Loans would increase the applicant's monthly housing debt ratio, including the County loan payment, to more than 35 percent of the applicant's monthly gross income.
- c. Zero-Interest Loans are fully deferred for the term of the loan.

C. Security Requirements

Loans must be secured by a Deed of Trust, which secures the Promissory Note.

D. Loan Terms

- 1. Loans may be pre-paid in part or in whole at any time and without any penalty.
- 2. The term is 15 years. A loan recipient may request an extension of an additional 15 years if they are low or moderate income and payment of the loan would increase their housing debt ratio to more than 35 percent of their monthly gross income.
- 3. Loans are due and payable upon sale or transfer of the property or if the home should cease to be owner occupied.  
Transfers that do not require repayment of the loan include the following:
  - a. transfer to an existing spouse or domestic partner who is also an obligor under the note,

- b. transfer to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Property,
- c. transfer between spouses as part of a marriage dissolution proceeding,
- d. transfer to an existing spouse, domestic partner, or child of borrower by devise or inheritance following the death of borrower, or
- e. transfer by borrower into an inter vivos trust in which borrower is the beneficiary

## VI. HOUSING REHABILITATION and LEAD-BASED PAINT HAZARD CONTROL GRANTS

### A. Introduction

Rehabilitation grants will be provided only to low and moderate income households who do not qualify for a loan due to insufficient equity in their home. Repairs funded by grants are limited to correcting items that pose urgent health and safety threats. Grants may not be used for general repairs or improvements.

Grants for lead-based paint hazard control will be made to low and moderate income households who are living in a home built prior to 1978 and receiving a loan or grant through NPP.

### B. Eligible Repairs

1. Work and items of repair eligible under the rehabilitation grant program are to be completed as available funds allow, in the following order of priority:
  - a. To make repairs and improvements necessary to the structure to correct health and safety hazards;
  - b. To make other repairs and improvements to correct extreme structural deficiencies, which may include:
    - i. exterior painting
    - ii. physical modifications designed to improve the mobility of handicapped or elderly persons
    - iii. improvements to conform to code standards applicable to existing residential structure to ensure safe, decent, and sanitary housing; and
  - c. To correct any incipient deficiencies which would make it impossible for a structure to be brought to and readily maintained at code standards.
2. Lead-based paint grants may only be used for costs associated with lead-based testing and remediation.

C. Grant Amounts

1. The maximum rehabilitation grant amount is \$10,000 for a mobile home or single-family dwelling, with an additional \$1,000 allowed for the second unit in a duplex.
2. The maximum rehabilitation grant amount may be exceeded on a case by case basis to correct serious health and safety issues as determined by the Director of the Department of Conservation and Development.
3. The maximum lead-based paint grant amount is \$5,000.
4. An applicant may receive both a rehabilitation grant and a lead-based paint grant.

VII. ADMINISTRATION

Implementation and administration of the NPP is the responsibility of the Building Inspection Division of the Contra Costa County Department of Conservation and Development.

VIII. APPEALS

Any persons, firm, partnership, or corporation aggrieved by a decision pursuant to the policies of the NPP shall be afforded an opportunity for review of that decision by the Director of the Department of Conservation and Development, or designee. Upon review of the case a final decision will be rendered by the Director, subject to appeal to the Board of Supervisors, under the appeal procedures in Title 1, Chapter 14-4 in the County Ordinance Code.

**APPENDIX A**

**Target Areas**

Cities –

El Cerrito  
Martinez  
Pinole  
San Pablo

Unincorporated County –

Bay Point  
Bayview-Montalvin Manor  
Bethel Island  
Byron  
Crockett  
East Richmond Heights  
El Sobrante  
Knightsen  
Mountain View  
North Richmond  
Pacheco  
Port Costa  
Rodeo  
Rollingwood  
Tara Hills  
Vine Hill

## APPENDIX B

## 2014 INCOME LIMITS

<b>CONTRA COSTA CONSORTIUM CDBG PROGRAM</b>			
Income Limits by Household Size - Effective <b>July 1, 2014</b>			
Median Family income for a family of four (4) is \$88,500.			
Persons per Household	Maximum Income of households which are:		
	Extremely Low-Income (30% of AMI)	Very Low- Income (50% of AMI)	Low-Income (80% of AMI)
1	\$19,350	\$32,200	\$47,350
2	\$22,100	\$36,800	\$54,100
3	\$24,850	\$41,400	\$60,850
4	\$27,600	\$46,000	\$67,600
5	\$29,850	\$49,700	\$73,050
6	\$32,050	\$53,400	\$78,450
7	\$36,030	\$57,050	\$83,850
8	\$40,090	\$60,750	\$89,250
<p>Extremely low-income households are defined as households earning 30 percent or less of area median income (AMI); very low-income households earn 50 percent or less AMI; low-income households earn 80% or less AMI subject to HUD caps; and median income households earn 100 percent AMI.</p> <p><i>Source: U.S. Department of Housing and Urban Development</i></p>			