

Home Improvement Program Policy Guidelines



Revised January 10, 2023

PROGRAM OBJECTIVE

It is the objective of the Home Improvement Program (HIP) to provide deferred loans and forgivable loans (grants) for home improvements to meet national housing goals of a “decent, safe, and sanitary home for every American.” Funds may be used to correct code violations, replace or upgrade major housing systems, meet program standards and make a limited amount of general property improvements.

GENERAL REQUIREMENTS

In order to qualify for a deferred loan or grant funded by HOME Investment Partnerships Program (HOME) or Community Development Block Grant (CDBG) funds, the following conditions must be met:

1. Location:
The home to be improved must be located within the city limits of Fullerton
2. Ownership:
The applicant must be the legal owner of the property to be improved.
3. Income:
 - (a) No applicant shall be entitled to a deferred loan or grant whose total gross household income exceeds the federal definition for low and moderate income.
 - (b) The homeowner must not have assets of more than \$20,000 (\$30,000 for seniors) excluding property to be improved, one car, and household furnishings.
4. Eligible Home Improvement Activities:

The Home Improvement Program can address, but is not limited to the following items:

BUILDING CODE & STRUCTURAL DEFICIENCIES

- Roofing
- Plumbing
- Electrical
- Foundation
- Interior Flooring
- Interior Walls
- Ceilings
- Heating
- Health and Sanitation
- Parking Areas
- Fumigation
- Security Code Items
- Restucco
- Lead Paint Abatement

- Smoke Detector(s)
- Carbon Monoxide Detector(s)

OVERCROWDED CONDITIONS

- Bathroom Additions
- Bedroom Additions
- Kitchen Additions
- Storage Areas
- (New family rooms and dens not allowed under program)

HOUSEHOLD IMPROVEMENTS

- Deteriorated Toilets
- Deteriorated Bathtubs
- Deteriorated Showers
- Deteriorated Underlayment/Floor Coverings
- Deteriorated Wall Coverings
- Deteriorated Heaters
- Deteriorated Cabinets
- Deteriorated Sinks
- Deteriorated Faucets
- Deteriorated Countertops
- Deteriorated Garbage Disposals
- Deteriorated Exhaust Fans
- Lighting

COSMETIC IMPROVEMENTS

- Interior/Exterior Paint
- Fences
- Doors/Deadbolt Locks
- Windows

IMPROVEMENTS FOR THE ELDERLY/HANDICAPPED

- Ramps
- Handrails
- Grab Bars
- ADA Compliant Toilets

Deteriorated Condition is to be interpreted as an unhealthy, unsafe or unusable condition.

5. Ineligible Activities:

Home Improvement Program funds shall not be used for such items as construction of recreation rooms, swimming pool installation or repairs, ornate landscaping, room additions and accessory dwelling units (unless additions can be shown necessary to eliminate an overcrowded condition), remodeling not considered essential to the health, safety and general livability of the occupant or other items related thereto as determined by City Housing Staff.

6. Limits for Deferred Loans/Grants:

- (a) No application will be processed if the amount of improvements involved is too small (estimated to be \$500, with exception of emergency loans) to justify the administrative costs involved. Staff will be guided by generally accepted banking practices if the issue arises.
- (b) The maximum amount of a deferred loan shall not exceed \$65,000. The maximum amount of a grant is dependent on the type of grant (see pages 7 and 8).

Exception: The Loan Committee may authorize deferred loans or grants to exceed the maximum amounts when the circumstances warrant.

- (c) No applicant shall be entitled to more than one deferred loan, unless special approval is granted by the City's Loan Committee on a case-by case basis. No applicant shall be entitled to more than one forgivable loan, unless special approval is granted by the City's Loan Committee on a case-by case basis.

7. Priority for Types of Structures:

The priority for structures which are to be improved with funds provided through this program shall follow the criteria listed below:

- (a) Residential structures containing one dwelling unit; the applicant residing in that unit.
- (b) Residential structure containing one or more dwelling units where the applicant does not reside in the structure(s).

Should the funds allocated to the program become insufficient to meet the total anticipated needs of the applicant(s), housing staff shall be authorized to process the applications using the system of priorities listed above. Within these priority categories, applications shall be processed on a first-come-first-served basis.

REVIEW PROCEDURES FOR THE HOME IMPROVEMENT PROGRAM)

The Loan Committee, made up of the Director of Community Development, the Director of Public Works and the Director of Finance, or their designated representatives, reviews each loan application and recommends approval or disapproval to the Housing Programs Assistant. Upon application approval, the Housing Programs Assistant is authorized to enter into an agreement with the applicant for a deferred loan or grant as outlined by the program guidelines approved by Council. An appeal of an unfavorable decision can be made to the City Council within ten (10) days written notice to the applicant by the Housing Programs Assistant. Notice to the applicant shall include action taken, right of appeal, and time for appeal.

BUILDING PERMITS

The required building, plumbing, and electrical permits will be determined by the Housing and Community Rehabilitation Inspector. A plan check fee is not required unless plans fall out of the scope of conventional construction.

RESIDENTIAL DEFERRED LOAN POLICIES

Program Objective

It is the objective of the Deferred Loan Program to assist in the City's home improvements efforts by providing deferred loans to homeowners with greater financial difficulties.

Under the program, no monthly payments are required and no interest attached to the loan for a period of fifteen (15) years. Upon expiration of the deferment period, an unlimited number of successive extensions of fifteen (15) years may be granted. The City holds a Deed of Trust on the improved property, which becomes payable to the City whenever the property changes ownership (except for an estate transfer to an heir who meets the program eligibility requirements).

General Requirements

To qualify for a deferred loan funded by Home Improvement Program funds:

- A. Location:
The residence must be located within the City of Fullerton.
- B. Ownership:
The applicant must be the legal owner of the property to be improved.
- C. Income:
To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 80 percent of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.
- D. In addition, the following requirements must be met:
 - 1. Residential homeowner's total indebtedness cannot exceed 70 percent of appraised value. The City will not stand in third position on titles/liens.
 - 2. The homeowner must not have combined assets of more than \$20,000 excluding property to be improved, one car, and household furnishings. A senior household's assets cannot exceed \$30,000. Under special circumstances the asset limitations may be amended by the City's Loan Committee on a case-by-case basis.
 - 3. The homeowner must sign a written agreement that the Deferred Loan funds will be returned to the City in full once the property has been sold or transferred. This will be secured in the form of a Deed of Trust attached to the title.

4. The homeowner may repay the Deferred Loan at any time in advance of the sale of the property, if desired.

Deferred loans are to be made on owner-occupied units only. No applicant shall be entitled to more than one deferred loan, unless special approval is granted by the City's Loan Committee.

MOBILE HOME DEFERRED LOAN POLICIES

Program Objective

It is the objective of the Mobile Home Deferred Loan Program to assist in the City's home improvement efforts by providing deferred loans to mobile homeowners with greater financial difficulties.

Under the program, no monthly payments are required and no interest attached to the loan for a period of fifteen (15) years. Upon expiration of the deferment period, an unlimited number of successive extensions of fifteen (15) years may be granted. The homeowner shall release legal owner interest in the mobile home (at the homeowner's expense) and the City shall encumber the title (record a lien) in favor of the City of Fullerton, Housing Division. The deferred loan becomes due and payable to the City whenever the mobile home changes ownership (except for an estate transfer to an heir who meets the program eligibility requirements).

General Requirements

To qualify for a Mobile Home Deferred Loan funded by Home Improvement Program funds:

- A. Location:
The mobile home must be located within the City of Fullerton.
- B. Ownership:
The applicant must be in the legal owner of the mobile home to be improved.
- C. Income:
To be eligible to receive funding under this section of the program, the total household income of all residents residing in the mobile home must be less than 80 percent of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.
- D. In addition, the following requirements must be met:
 1. Homeowner's total indebtedness cannot exceed 80 percent of appraised value.
 2. The homeowner must not have combined assets of more than \$20,000 excluding property to be improved, one car, and household furnishings. A senior household's assets cannot exceed \$30,000. Under special circumstances the asset limitations may be amended by the City's Loan Committee on a case-by-case basis.

3. The homeowner must sign a written agreement that the Deferred Loan funds will be returned to the City in full once the mobile home has been sold or transferred. This will be secured in the form of a perfected lien on the Certificate of Title.
4. The homeowner may repay the Deferred Loan at any time in advance of the sale of the property, if desired.

Mobile Home Deferred Loans are to be made on owner-occupied units only. No applicant shall be entitled to more than one deferred loan, unless special approval is granted by the City's Loan Committee.

FORGIVABLE LOAN (GRANT) POLICIES

Program Objective

Forgivable Loans (Grants) are available to very low-income households. The specific grants can be combined, and may be awarded in conjunction with the Deferred Loan Program. Grants do not have to be repaid to the City if the homeowner resides at the property three years after the grant is awarded (forgiven in thirds). However, if the homeowner sells or transfers title to the property prior to three years, a percentage of the grant amount, determined by the City, must be repaid.

General Requirements

To qualify for a grant funded by Home Improvement Program funds:

- A. Location:
The residence must be located within the City of Fullerton.
- B. Ownership:
The applicant must be the legal owner of the property to be improved.
- C. Income:
To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 50% of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.
- D. The homeowner must not have combined assets of more than \$20,000 excluding property to be improved, one car, and household furnishings. A senior household's assets cannot exceed \$30,000. Under special circumstances the asset limitations may be amended on a case-by-case basis.
 - Residential Exterior Paint Forgivable Loan (Grant): Provides funds up to \$6,500 for exterior paint.
 - *Residential Roof Forgivable Loan (Grant): Provides funds up to \$20,000 to replace deteriorated roofs.

- Residential Handicap Modification Forgivable Loan (Grant): Provides funds up to \$6,000 to aid handicapped residents (i.e. ramp, hand rails, grab bars, and ADA compliant toilets, etc.).
- Residential Code Items Forgivable Loan (Grant): Provides funds up to \$5,000 to correct building codes, and health and safety items.
- Mobile Home Forgivable Loan (Grant): Provides funds up to \$10,000 for handicap modifications and to correct building codes, and health and safety items.

Review Procedures

The City's Housing Programs Assistant and Housing and Neighborhood Services Manager shall determine whether a project is eligible for a grant.

Grants are to be made on owner-occupied units only. No applicant shall be entitled to more than one grant unless special approval is granted by the City's Loan Committee on a case-by case basis.

EMERGENCY HOUSING REPAIR LOAN POLICIES

Program Objective

On October 11, 1977 the City established an Emergency Housing Repair Program for emergency situations in which the health, safety and welfare of residents may be threatened by a delay in making required repairs and/or improvements under the Home Improvement Deferred Loan Program. Refer to Agenda Letter dated September 27, 1977 for specific guidelines.

It is the program objective to provide emergency housing repair loans to property owners to correct conditions that create a danger to the health, welfare and safety of the occupants and/or would result in the significant damage and deterioration to the dwelling unit. The Emergency Housing Repair Program is to be an adjunct to the Deferred Loan Program to be utilized when time is of the essence in making emergency repairs necessary to preserve health and safety.

Emergency Housing Repair Loans are advances against the total amount of deferred loan for which the recipient has either qualified or has undergone initial screening and has officially been placed on a waiting list.

General Requirements

To qualify for a loan funded by Home Improvement Program funds:

- A. Location:
The residence must be located within the City of Fullerton.
- B. Ownership:
The applicant must be in the legal owner of the property to be improved.

C. Income:

To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 80 percent of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.

D. Loan Limits:

The maximum amount of an Emergency Repair Loan shall be the actual cost of the work as determined by qualified contractor(s) bids.

Exception: The City Loan Committee may authorize Emergency Repair Loans to exceed the stated limits when the circumstances warrant.

E. Assets:

The homeowner must not have combined assets of more than \$20,000 excluding property to be improved, one car, and household furnishings. A senior household's assets cannot exceed \$30,000. Under special circumstances the asset limitations may be amended by the City's Loan Committee on a case-by-case basis.

F. Priority of use of Funds:

Since the objective of the Emergency Housing Repair Program is to correct conditions for which time is of the essence, the policy of the local program will be to use the limited funds available as follows:

1. To provide emergency repairs to correct any structural condition, which constitutes an immediate danger to the health, safety and/or welfare of the occupants.
2. To repair or replace any structural item that has deteriorated to the point where it constitutes an immediate threat to the health, safety and/or welfare of the occupants.
3. To provide temporary emergency repair and/or replacement of any structural item if a delay in repairs would result in significantly increased damage or deterioration to the structure or create a condition, which would constitute an immediate threat to the health, safety and/or welfare of the occupants.

Deficiencies Include:

- a. Electrical – Frequent blowing of fuses or circuit breakers indicating a system overload. An inadequate number of outlets resulting in an unsafe condition as evidenced by extensive use of extension cords. Dangerous or exposed wiring.
- b. Plumbing – Malfunctioning water-heating system. Frequent backup of main sewer system. Malfunctioning septic system. Leaking traps or fittings that may result in structural damage or mold.
- c. Roofing – Water intrusion that may result in structural damage to the house or dampness to an interior portion that could produce mold.

- d. Heating / Air Conditioning – Inability to safely maintain a temperature sufficient to meet the local housing codes in all habitable rooms and bathrooms due to malfunctioning of the equipment. Inability to properly cool all habitable rooms and bathrooms to the malfunctioning of the equipment.

No applicant shall be entitled to more than one Emergency Housing Repair loan, unless an exception is specifically granted by the City's Loan Committee.

Servicing of Emergency Housing

Emergency Housing Repair Loan funds advanced to property owners shall be repaid to the Emergency Housing Repair fund as soon as the property owner is issued a home improvement loan or deferred loan. The amount of the emergency repair work shall be included as part of the home improvement loan.

LEAD BASED PAINT REMOVAL PROGRAM POLICIES

Eligible Applicants

To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 80 percent of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.

Eligible Properties

All properties improved under this section must meet the following requirements:

1. The property must be a single-family home or condominium located in Fullerton.
2. The home must need to have lead-based paint removed or abated to participate in a federal loan program and be the primary residence of the applicant.

Uses of Funds

Funds awarded under this section may be used to remove lead based paint and any repairs associated with the removal of lead-based paint.

Maximum Award

The Maximum amount that may be provided under this section is \$30,000.

Terms and Conditions

All assistance provided under this part will be provided as a grant that will not have to be repaid by the applicant.

RELOCATION ASSISTANCE PROGRAM POLICIES

On February 1, 1977, the Fullerton City Council adopted a Temporary Relocation Assistance Program providing short term housing assistance to persons required to vacate their home due to activities relating to Home Improvement Program activities.

On October 3, 1978, those guidelines were revised. There was no discussion by the Council relating to this issue. In addition to adoption of a revision of the program guidelines, and passage of a Resolution, staff was directed to prepare semi-annual reports and the expenditures and the expenditures and activities of the Relocation Assistance Program.

For specific guidelines, refer to Resolution 6407, the Agenda Letter of October 3, 1978 and Program Guidelines.

Relocation Benefits

On December 6, 2014 the Loan Committee authorized the following policy:

Lodging: \$150.00/night – couple
 \$200.00/night – family

Food: \$50.00/day – couple
 \$50.00/day plus an additional \$20.00/day for each additional family member.

BLOCK IMPROVEMENT GRANT POLICIES

Program Description

The purpose of the Block Improvement Grant (BIG) is to improve neighborhoods. The BIG program is designed to assist owner/occupant property owners located within the designated areas (See BIG Maps), by providing grants for housing rehabilitation. The specific grants can be combined, and may be awarded in conjunction with the Deferred Loan Program. The grants do not have to be repaid to the City.

Eligible Improvements

- ◇ *Roof*
- ◇ *Exterior Paint*
- ◇ *Garage Door*

Eligible Applicants

The legal owner(s) of the properties within Areas 1 through 8 may submit an application under this program (See BIG Maps).

General Requirements

To qualify for a BIG funded by Home Improvement Program funds:

- A. Location:
The residence must be located within the City of Fullerton (Areas 1-8).
- B. Ownership:
The applicant must be in the legal owner of the property to be improved.
- C. Income:
To be eligible to receive funding under this section of the program, the total household income of all residents residing in the home must be less than 50 percent of the median income for Orange County as determined by the Department of Housing and Urban Development (HUD), adjusted by family size.
- D. Assets:
The homeowner must not have combined assets of more than \$20,000 excluding property to be improved, one car, and household furnishings. A senior household's assets cannot exceed \$30,000. Under special circumstances the asset limitations may be amended by the City's Loan Committee on a case-by-case basis.

HOME IMPROVEMENT PROGRAM STANDARDS

Objectives

The objectives of the City of Fullerton - Home Improvement Program are to:

1. Upgrade the quality of housing;
2. Make the home safe for its occupants;
3. Improve the quality of life for owners; and
4. Upgrade neighborhoods.

Applicable Laws and Regulations

Homes receiving financial assistance from the City of Fullerton Home Improvement Program will be renovated in full compliance with the following statutory and regulatory requirements:

California Residential Code (inclusive Plumbing, Electrical, Mechanical, Fire)
Housing Code
Fullerton Municipal Code
Section 8 Housing Quality Standards
HOME Program Regulations

Standards and Guidelines

Listed below are the minimum and replacement standards for housing units assisted by the City of Fullerton Home Improvement Program. **All housing units assisted through this program must meet the Housing Code and the minimum standards listed below after construction, unless they are being repaired under the Emergency Conditions portion of the Home Improvement Program.** Any deviations from these standards must be approved by the Director of Community Development or designee and will only be approved if the standard cannot be met due to the physical limitations of the structure. **Replacement standards may be pursued only when financial feasibility of the entire job is not endangered.**

The purpose of developing standards and guidelines such as these is as follows:

1. It ensures that improvements will produce safe, livable, healthful, physically sound housing and, at the same time, is low enough in cost to be affordable.
2. To provide a minimum acceptable level of improvements based on performance that may not be achieved by meeting minimum Housing Code requirements.

I. Site Conditions

Accessory Structures:

- Minimum Standard – Every accessory structure shall be in a reasonably good state of repair. Unsafe and blighted structures will be demolished and removed if it is not financially feasible to complete the repairs required to make them structurally sound and leak free. Such structures include detached garages, sheds, freestanding carports and fences that are visible from the street.
- Replacement Standard – A one-story detached accessory structure used as tool and storage sheds, playhouses and similar uses, provided the floor area does not exceed 120 square feet, may be installed if not other exterior storage is available.

Entry Walks/Driveways:

- Minimum Standard - Essential walks and driveways must be structurally sound and free from tripping hazards. Badly deteriorated essential paving, such as entry walks or driveways will be repaired or replaced. Sidewalks in the public right-of-way will not be repaired or replaced.
- Replacement Standard - Where needed, a paved driveway and appropriate service walks may be provided.

Yard:

Minimum Standard - Debris and trash on the property, including inoperable vehicles, must be removed by the property owner prior to the execution of the contract for home improvement work.

II. Structure Exterior

Exterior Attachments:

- Minimum Standard – Exterior attachments to the structure including, but not limited to, downspouts, gutters, chimneys and awnings shall be in a good state of repair and drainage attachments shall be installed so as to direct water away from the structure.

Exterior Siding and Trim:

- Minimum Standard - All siding and trim must be intact, weatherproof, and free of deterioration. Replacement of damaged sections may include up to 25% of sound surfaces. All exterior surfaces will have a continuous coat of paint or bonded finish with an expected life of at least three years.

Exterior Porches:

- Minimum Standard - Porch surfaces will be reasonably level, even surfaces. Unsafe porches that are repaired will be completed in a manner that conforms to other porches in the neighborhood.

Exterior Stairs:

- Minimum Standard - All steps will be reasonably level, even surfaces maintained in a safe and sound condition. Repairs will be made using materials that match the existing structure.

Handrails and Guardrails:

- Minimum Standard - Handrails are required on steps or stairs with four or more risers and guardrails are required around porches more than 30 inches above ground level. Existing handrails and guardrails must be maintained in a safe and sound condition.

Framing and Structure:

- Minimum Standard - Structural framing and masonry must appear to be free from visible deterioration, rot, or serious termite damage, be adequately sized for current load and have an expected life of 15 years.

III. Foundations

Foundations:

- Minimum Standard - Foundations will be sound, reasonably level, reasonably free from movement, reasonably weathertight and capable of supporting the loads that normal use place upon them.

IV. Windows and Doors

Interior Doors:

- Minimum Standard – All bathrooms and bedrooms must have doors maintained in functional condition with a locking device on bathroom doors.

Exterior Doors:

- Minimum Standard - All exterior doors must be operating smoothly, provide security, have a working key lock and give evidence of continuing acceptable service.
- Minimum Standard - Where screen doors exist, they shall be maintained in suitable condition to serve their intended purposes or removed.
- Replacement Standard – A new screen door may be installed where none previously existed. Deadbolt locks may be installed if not existing.

Windows:

- Minimum Standard - Each habitable room, excluding the kitchen area, bathroom, and interior rooms must have one window.
- Minimum Standard - All windows must be maintained in good and functional condition, fit reasonably well within their frames, be weather tight and those

accessible from the ground must have locking hardware. Screens must be maintained in a good state of repair.

V. Roofing

Roofs:

- Minimum Standard - All roofs must be weather tight. Shingles must be in good condition and free from curling. Missing shingles and flashing will be repaired whenever feasible. All roofs must have at least an expected thirty year useful life.

Decking:

- Minimum Standard - All decking must be solid and free from rot and termite damage.

VI. Insulation and Ventilation

Bath Ventilation:

- Minimum Standard - Natural or mechanical ventilation is required. Existing fans must be operable. Exterior ducted fans will be installed in all bathrooms without an operating window.

Kitchen Ventilation:

- Minimum Standard - Existing range hoods must be clean and working.
- Replacement Standard – If there is no existing range hood or if the existing hood does not meet the above standard, a vented range hood may be installed.

Insulation:

- Minimum Standard - Attics must be insulated over all habitable heated areas to at least an R-19 value. Walls will only be insulated if the plaster or drywall is removed.

VII. Interior Standards

Walls and Ceilings:

- Minimum Standard - All walls and ceilings must have (a) a finish surface without noticeable irregularities or cracking; (b) a waterproof and hard surface in spaces subject to moisture; (c) a suitable base for painting or other decoration; and (d) reasonable durability and economy of maintenance. The surface may be uneven. The walls must be free from peeling paint.

Flooring:

- Minimum Standard – Finish floors must be maintained in good condition, be appropriate to the use of the space, provide reasonable ease of maintenance and have an extended service life. Bathroom and kitchen floors must be covered with a water resistant, easily cleanable surface. Seriously damaged floors must be replaced.
- Replacement Standard – Finish floors that comply with the above standard may be replaced.

VIII. Electric

Ground Fault Circuits:

- Minimum Standard - All kitchen receptacles serving kitchen countertops, all bath receptacles, and all exterior receptacles must be protected by a GFCI.

Interior Distribution:

- Minimum Standard - Every habitable room will have at least one duplex receptacle and one light switch or two duplex receptacles. Bathrooms and laundry rooms shall be provided with a light fixture controlled by a wall switch. Every kitchen and bathroom shall have at least one duplex receptacle. All existing receptacles, fixtures, and switches must be safe.
- Replacement Standard – Additional receptacles may be installed.

Service and Panel:

- Minimum Standard - Distribution panels shall have a main disconnect, at least seven fused circuits, a 60 amp minimum capacity and be adequate to safely supply power to all existing and proposed electrical devices. Existing service that does not comply with this standard will be replaced with a minimum of a 150-amp service.

Alarms:

- Minimum Standard - Existing fire and smoke alarms shall be repaired to operating condition.
- Replacement Standard – Smoke Detectors will be installed according to code requirements.
- Replacement Standard – Carbon Monoxide Detector will be installed according to code requirements.

IX. Plumbing System

Water Supply:

- Minimum Standard – Dwelling units shall have a water system that does not endanger the health or safety of the occupants and is in good repair and free of leaks. All fixtures must be supplied with at least 1.5 gallons per minute water flow. All existing main shutoffs must be operating.

Waste Lines:

- Minimum Standard – Dwelling units shall have a sewage disposal system that does not endanger the health or safety of the occupants and is in good repair and free of leaks. All waste and vent lines must function without losing the trap seal.

Plumbing Fixtures:

- Minimum Standard - All fixtures and faucets must be working and free from leaks. Each dwelling unit will have a kitchen sink with hot and cold water located in the kitchen.
Each dwelling unit will have an attached bathroom containing a toilet, lavatory, and shower or tub.

Water Heaters:

- Minimum Standard - All dwellings will have a water heater capable of producing 100 degrees Fahrenheit at the faucet. Water heaters shall be in good serviceable condition.

X. HVAC

Heating Plant:

- Minimum Standard – Heating facilities shall be provided for each dwelling unit that will (a) be safe and convenient to operate; (b) be capable of heating the unit to 68 degrees when the outside temperature is at the average yearly minimum for the county; and (c) be economical in performance.

Air Conditioning:

- Minimum Standard – Non-functioning, non-repairable air conditioners must be removed or replaced. Existing air conditioners must have an estimated life of three years.
- Replacement Standard - New air conditioning units may be installed if the furnace is being replaced or when the unit may be added to the existing properly functioning heating system.

Distribution System:

- Minimum Standard – Ductwork must be well supported and free from visible leaks.

XI. Kitchen Facilities

Storage Space

- Minimum Standard – Kitchen cabinets shall be in a reasonably good state of repair. Minor defects such as scratched or dented surfaces are acceptable. Broken shelves or hardware should be repaired, if possible.

Countertops

- Minimum Standard – Countertops shall be impervious to water and free of defects that could trap liquid or food.

Equipment

- Minimum Standard – All ovens, ranges and refrigerators shall be maintained in safe working condition.

HOME IMPROVEMENT PROGRAM PROCESSING PROCEDURES

The Housing Programs Assistant shall:

Within ten working days of the date that the application was received by the Housing Division, the Housing Programs Assistant shall review the project file and determine whether the applicant is qualified for assistance based on income, family composition, ownership status and location of the property.

Within two weeks (ten working days) of the date the application is approved by the Housing Programs Assistant, the Housing Inspector shall conduct an initial inspection to qualify the property. The purpose of this inspection is to ascertain whether any conditions exist, which must be corrected prior to the commencement of the work being requested by the homeowner. Conditions such as unpermitted structures may delay the project and will disqualify the applicant if they are not corrected. If such conditions are noted during the inspection, the Housing Inspector shall notify the homeowner in writing. Failure to address such items will deem the application "Inactive" on the *Project Status Report*. The *Project Status Report* is utilized to monitor the status of all loans and grants. New applicants are placed on the "Qualifying Projects" list and addressed in order of receipt; unless emergency circumstances exist that require a project to be given priority.

Pre-Application

- Review for Completeness:
Review the applicant file for all pertinent documentation. If there are missing items, request these items from the homeowner in writing, including a deadline for response, and retain a copy of the correspondence in the file. Update the *Weekly Project Status Report* with the project information, including deadline for additional documentation as needed. Place the applicant file in alphabetical order in the appropriate file cabinet.
- Back-up Material
 - Grant Deed
 - Income Verification
 - Social Security Card and Personal Identification
- Complete Environmental Form
- Homeowners are to provide a copy of credit report if applicable

Low-income property owners who qualify for the Deferred Loan Program may borrow up to \$65,000 (may be increased by Loan Committee) interest-free without making monthly payments. In order to qualify, total indebtedness cannot exceed 80 percent of appraised value. The loan repayment terms are determined by the City, and the loan is secured by a Deed of Trust. Mobile Home loans total indebtedness cannot exceed 70 percent of appraised value. The mobile home loans are secured by a perfected lien on the Certificate of Title.

Write-Up Inspection

- The Housing Programs Assistant will assign the inspection of the property to the City's Housing Inspector. The Inspector will contact the homeowner and arrange

an appointment for inspection. During the inspection, the Housing Inspector will take photographs to visually document each project. After inspecting the property, the Housing Inspector will complete a write-up of all necessary repairs for the project. When the cover letter, the Authorized Repair Report, and the write-up are reviewed and approved by the Housing and Neighborhood Services Manager, the cover letter is signed by the Inspector, and the client is contacted and asked to review the documents and sign the cover letter. Any changes to be added or deleted are made and the original or revised write-up is ready to be put out to bid. Viewing dates should be determined for contractors bidding on the project to visit the project site. Photographs are assembled and included in the project file. The *Weekly Project Status Report* should be continually updated throughout this process.

- Have the homeowner submit three termite inspection reports, or schedule inspections to obtain the reports.

Preliminary Approval of Loan Committee

- Submit a copy of the write-up and estimate for Committee review.
- Provide photos of the project site.
- After deferred loan is approved, order appraisal and title report if applicable.

Bid Process

- If the project is a residential loan (excluding emergency loans, mobile home loans and forgivable loans), a Public Notice form must be typed with each project address and the bid closing date/time. A copy shall be placed in each project file involved, and a copy submitted to the office of the City Clerk for publication in the local newspaper. The Public Notice advertisement must be published at least two weeks prior to the bid closing day.
- Schedule at least two viewing dates for “job walks”. When the viewing dates are set, send a copy of the Homeowner Viewing Dates form to the homeowner and include a Contractor Sign-In sheet. This sign-in sheet is to be returned after all viewing times are complete, and placed in the project file.
- A Bid Packet is prepared and duplicated containing:
 - Notice to all General Contractors
 - Authorized Repair Report
 - Write-up for each Project
 - Payment Procedures
 - General Conditions Form
 - Contractor Subcontractor List
 - Section 3 Form

These are to be picked-up, mailed or emailed to the contractors who are listed on the Approved Contractor List. Housing Division staff shall notify all eligible contractors of the bid availability and bid opening date. The contractor will receive the Bid Packet after signing a receipt that will be retained in the contractor’s file.

- On the scheduled bid opening date/time, Housing Division staff will attend the Bid Opening in the City Clerk's Office at the set time. Bids are opened and read by Housing Division Staff. As the bids are read, City Clerk Staff will enter the bid information into a Bid Tabulation Sheet (entering the project address, bidder's name and bid amount). A copy of the Tabulation Sheet will be placed in each project file.
- After the Housing Programs Assistant verifies the lowest bid for each project, notify the homeowner of the lowest responsible bid. Home owner signs the Contractor Bid Acceptance Form. The loan or grant forms are prepared and signed by the homeowner(s) and contractor during a meeting with the Housing Programs Assistant and Housing Inspector. If the project is a loan, the Housing Programs Assistant must present it to the Loan Committee.

Contractor Selection

The City's Home Improvement Program (HIP) uses a standard closed bid process. Contractors are pre-qualified or disqualified to determine the responsibility of a contractor or subcontractor or their intention to bid on City HIP construction contracts.

A. Interested contractors are asked to complete and submit a questionnaire.

- Required licenses and insurance are verified.
- The federal debarment list is checked.
- References are contacted.
- Approved contractors are placed on an "Approved Contractor's" bid list and notified when bid packets are available. The list is reviewed bi-annually to ensure continued eligibility of contractors.

The homeowner selects a contractor of their choice. The homeowner signs the Contractor Acceptance Form and states the reason for choosing the Contractor. The City finances the lowest "responsible" bid* and homeowner pays the difference if they don't choose the lowest bid.

The City will give the homeowner the option to choose any contractor within 10 percent of the projected City cost estimate. The City also has the discretion to give the homeowner the option to select any contractor from within 10% (ten percent) of the median responsible bids received if the following occurs:

- City cost estimate is lower than any of the responsible bids received for the project.
- City cost estimate is higher than any of the responsible bids received for the project.
- The City deems the lowest bid invalid.

B. Disqualification

- A contractor or subcontractor who has demonstrated performance that is not responsible on current or past projects may be disqualified from bidding on current or future projects for a period of three years.

- The period of disqualification shall be for an indefinite period for a contractor or subcontractor who has demonstrated performance that is not responsible by falsifying any information required during prequalification, bidding, or required by the contract documents.
- Minor incidents that do not justify disqualification will be documented in the file and the contractor will be sent a letter/letters of warning.

Disqualification Procedures

Determine whether a contractor or subcontractor has demonstrated performance that is not responsible. The following are considered examples of performance that is not responsible and that may lead to disqualification:

- Falsification of any information required during prequalification, qualification, bidding, or required by the contract documents.
- Performance of work without the required contractor's license.
- Non-observance of safety requirements.
- Failure to meet requirements of law in employment.
- Failure to meet contractually agreed upon affirmative action commitments.
- Use of unlicensed or improperly licensed subcontractors.
- Substitution of a subcontractor without the City's written consent.
- Failure to submit or adhere to contractually required and agreed-upon schedules.
- Conviction of a criminal offense in connection with current or past contracts with any entity.
- Poor past performance of work on City and/or any projects as evidenced by continued use of defective materials, refusal to correct work not in accordance with the contract documents, termination for cause, excessive change orders, repeated failure to provide proper supervision required by the contract documents and/or failure to follow specifications.

Notify Contractor of Disqualification

- The Loan Committee will be notified of the situation and approve/disapprove the Housing and Neighborhood Services Manager's recommendation of disqualification.
- A letter of disqualification will be sent to the contractor or subcontractor notifying them of their disqualification from bidding City home improvement projects. The notice will include the reason for disqualification. The notice will be sent by a means that provides proof of receipt.
- Contractor or subcontractor may submit written argument to the notice of disqualification. The argument will be reviewed by the Loan Committee. The Loan Committee will determine if there is enough evidence to warrant a hearing which will require the contractor/subcontractor to be present. If the Loan Committee does not request a hearing to be scheduled, a decision will be made determining whether or not the contractor and/or subcontractor should be reinstated. The decision will be communicated in writing to the contractor and/or subcontractor.

* “Responsible bid” is a bid that is submitted by one who is able to satisfactorily perform the work. A contract does not have to be awarded to the lowest bidder if that bidder is not responsible, as determined by the City.

Final Approval of the Loan Committee

If the project is a loan the Housing Programs Assistant must present it to the Loan Committee for final approval. The packet presented to the Loan Committee shall include:

- Approval of Application for Home Improvement Deferred Loan
- Acceptance of Bid
- Write-up for each project
- Letters from homeowners and any other pertinent paperwork.

Change Orders

During the course of each project, any changes to the Authorized Repair Report require a Change Order written out by the Housing Programs Assistant or the Housing Inspector and authorized by the Housing and Neighborhood Services Manager, then to be signed by both the homeowner and contractor.

Progress Payments

Request for Progress Payments are prepared and signed by the homeowner, contractor and Housing Inspector. The forms are submitted to Administrative Services for payment through the IFAS system with special instruction not to mail the check to the payee. When checks are received from Administrative Services the contractor is notified to pick up the check and the contractor’s signature is obtained on a photocopy of the check to be retained in the project file. If the contractor prefers, the check will be mailed.

Notice of Completion

A Notice of Completion (NOC) form is produced after work is completed by the contractor and the final Request for Progress Payment has been submitted (residential properties only). After the NOC form is signed by the homeowner, the notice is recorded at the Orange County Clerk Recorder’s Office. The recorded NOC document will be retained in the project file.