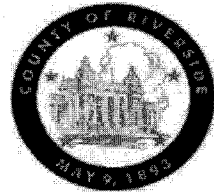


**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
10.1
(ID # 1737)

MEETING DATE:

Tuesday, November 15, 2016

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Approve Establishment of Senior Home Rehabilitation Grant Program Within Redevelopment Project Areas and Unincorporated Communities of the County of Riverside, [All Districts], [\$1,050,000] 2011 Tax Allocation Housing Bonds, Series A 100%; CEQA Exempt

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 and Section 15061(b)(3);
2. Approve and adopt Resolution No. 2016-010 establishing the Senior Home Rehabilitation Grant Program (Program);

ACTION: Policy

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,050,000	\$ 0	\$ 1,050,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 2011 Tax Allocation Housing Bonds, Series A 100%			Budget Adjustment: No	
			For Fiscal Year:	16/17


C.E.O. RECOMMENDATION: Approved

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Commissioner Jeffries, seconded by Commissioner Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Benoit and Ashley
 Nays: None
 Absent: Tavaglione, Washington
 Date: November 15, 2016
 xc: Housing Authority, Recorder

Kecia Harper-Ihem
 Clerk of the Board

By: 
 Deputy

10-1

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve a funding allocation in the amount of \$850,000 derived from 2011 Tax Allocation Housing Bonds, Series A proceeds, to fund the Program, including, but not limited to rehabilitation and construction costs;
4. Approve a funding allocation in the amount of \$150,000 derived from 2011 Tax Allocation Housing Bonds, Series A proceeds, to be used to pay for contractor administrative costs including, but not limited to, general management, oversight, coordination, staff, and overhead;
5. Approve a funding allocation in the amount of \$50,000 derived from 2011 Tax Allocation Housing Bonds, Series A proceeds, to be used to pay costs for Housing Authority staffing and legal expenses associated with Housing Authority administration of the Program;
6. Approve and adopt the attached Housing Authority of the County of Riverside Senior Home Rehabilitation Grant Program Guidelines (Program Guidelines) for implementation and administration of the Program;
7. Authorize the Executive Director, or his designee, to approve, issue and modify Program loans and disburse Program loan funds to qualified borrowers in a maximum cumulative total amount not to exceed \$25,000, in accordance with the Program Guidelines, subject approval by County Counsel;
8. Authorize the Executive Director, or his designee, to take all necessary steps to implement the Program including, but not limited to, approving expenditures of funding in amounts approved by the Board, drafting, negotiating, and executing, subsequent essential and relevant documents, including, but not limited to Program loan documents for borrowers such as loan applications, loan agreements, promissory notes, deeds of trust, security agreements, and other agreements, subject to approval by County Counsel;
9. Authorize the Executive Director or designee to make administrative, non-substantive technical revisions to the Program Guidelines that do not (i) increase the maximum loan amount, (ii) change income requirements or grant forgiveness schedule, or (iii) modify any other lending terms, subject to approval by County Counsel; and
10. Direct the Clerk of the Board to file and record the Notice of Exemption with the County Clerk within five working days of approval by the Board.

BACKGROUND:

Summary

In an effort to maintain and extend the life of existing affordable senior housing inventory, correct health and safety hazards in deteriorated senior housing units, and improve the quality of life and independence for the senior and disabled homeowner population of the County of Riverside (County), Housing Authority of the County of Riverside (Housing Authority) staff recommend establishing the Senior Home Rehabilitation Grant Program (Program). Proposed Program funding will be derived from former Redevelopment Agency for the County of Riverside (former RDA) 2011 Tax Allocation Housing Bonds, Series A proceeds.

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

Under the proposed Program, qualified homeowners can receive grants of up to \$25,000 should they meet the requirements set forth in the attached proposed Housing Authority of the County of Riverside Senior Home Rehabilitation Grant Program Guidelines (Program Guidelines) which include but are not limited to the following, (i) the applicant/homeowner must be 62 years of age or older and/or disabled, (ii) the subject residential dwelling must be owner-occupied, (iii) the subject dwelling must be located within Unincorporated County of Riverside or within the boundaries of a Redevelopment Project Area of the former Redevelopment Agency of the County of Riverside (former RDA), (iv) the subject residential dwelling must be a single-family home, duplex, manufactured home, mobile home, or condominium, and (v) the applicant/homeowner's total household income shall be at or below fifty (50%) percent of the area median income, adjusted for household size. The \$25,000 maximum grant amount will allow for the completion of most repairs requested by applicants, including roof replacement on smaller residential dwellings. The eligible repairs are limited to those necessary for the health and safety of the occupants and other items necessary to bring the property into code compliance. Ineligible repairs are those not related to health and safety that involve routine maintenance, cosmetic repairs, or luxury improvements. Based on the maximum allowable grant amount of \$25,000, a minimum of approximately 34 residential structures will be rehabilitated with grants from the Program, however, the individual grant amounts will vary depending on the project specifications and may increase the total number of rehabilitated units. Construction of the eligible repairs will be performed by qualified licensed construction contractors solicited through a competitive bid process. Bids will be awarded to the most responsive and responsible bidder. Program grants will be evidenced by forgivable loan promissory notes (convert to grants upon expiration of affordability period) and secured by deeds of trust and affordability covenants.

The affordability period will be bifurcated based on the corresponding grant amount. Grant amounts not exceeding \$15,000 will have a 15-year affordability period and amounts from \$15,001 to \$25,000 will have an affordability period of 45- years. The affordability period(s) will be evidenced by a recorded Covenant Agreement or similar lien document. Upon the expiration of the affordability period(s) and provided that the homeowner continues to occupy the dwelling and meets the terms of the Covenant Agreement, the principal grant balance will be forgiven and the corresponding deed of trust will be reconveyed.

The requested allocation to fund and administer the proposed Program is \$1,050,000. The proposed Program funding allocation will be used in the following manner: general rehabilitation and construction in accordance with the Program \$850,000; contractor administrative costs \$150,000; and \$50,000 to pay for direct Housing Authority staffing expenses and legal fees associated with staff administration of the proposed Program.

To address the lack of funding to finance affordable housing within the redevelopment project areas of the former RDA and Unincorporated County of Riverside, Housing Authority staff have identified \$1,050,000 in funds derived from former RDA 2011 Tax Allocation Housing Bonds, Series A, proceeds which have been approved by the California Department of Finance on the Successor Agency to the Redevelopment Agency for the County of Riverside's 16-17 Recognized Obligation Payment Schedule. The Housing Authority is authorized to use the aforementioned funds as the housing successor to the former RDA. The aforementioned housing bond proceeds are required to be expended as soon as possible in accordance with

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY
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applicable IRS rules and regulations. The capitalization of the Program in the amount of \$1,050,000 will allow the Housing Authority to provide homeownership opportunities to very low income households in the County. Pursuant to California Health and Safety Code Section 33334.2 (g), Resolution Number RDA 2005-35 adopted on December 20, 2005 and County Resolution Number 2005-374 adopted on December 20, 2005, the former RDA and County made the requisite findings establishing that the use of RDA low and moderate income housing funds for low and moderate income housing outside the Redevelopment Project Areas is of benefit to the Redevelopment Project Areas. The aforementioned housing bond is backed by former RDA low and moderate income housing funds.

Due to the large area comprising the unincorporated areas of the County, Housing Authority staff recommend utilizing two qualified contractors to complete the rehabilitation and construction work stemming from the Program within the western and eastern portions of the County. If the proposed Program and funding allocation are approved by the Board of Commissioners, a Request for Proposal(s) (RFP) will be issued by staff to obtain proposals from qualified, licensed and insured non-profit or for-profit organizations incorporated in the State of California that demonstrate their qualifications, past performance and interest for implementation of the rehabilitation work in accordance with the Program Guidelines.

Pursuant to the California Environmental Quality Act (CEQA), the Senior Home Rehabilitation Grant Program was reviewed and determined to be categorically exempt under State CEQA Guidelines Section 15301, Class 1 - Existing Facilities and State CEQA Guidelines Section 15061(b)(3), General Rule or "Common Sense" Exemption. The project relates to the establishment of a program and fund to pay administration fees and rehabilitation costs relating to existing residential dwellings such as traditional single-family housing, duplexes, manufactured homes, mobile homes, or condominiums (Project). The proposed Project is exempt under State CEQA Guidelines Section 15301, Class 1 - Existing Facilities since it includes the minor rehabilitation of existing residential structures, and not expansion of an existing use will occur. In addition, the Project is also exempt under the common sense exemption of State CEQA Guidelines section 15061(b)(3) in that it can be seen with certainty there is no possibility that the Senior Home Rehabilitation Grant Program may have a significant effect on the environment, as the payment of costs, fees and expenses necessary to rehabilitate pursuant to the program will have mostly financial effects and will not lead to any direct or reasonably indirect physical environmental impacts. A Notice of Exemption will be filed by the Housing Authority staff with the County Clerk within five days of the approval of Senior Home Rehabilitation Grant Program.

Housing Authority staff recommends approval of the attached Senior Home Rehabilitation Grant Program Guidelines and Resolution No. 2016-010. County Counsel has reviewed and approved the attached Senior Home Rehabilitation Program Grant Guidelines and Resolution No. 2016-010 as to form.

Impact on Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses of the County of Riverside. Additionally, the Housing Authority in partnership with the selected contractors, will assist in reducing the number of substandard senior housing units within the unincorporated communities of the County of Riverside, generate temporary rehabilitation construction jobs,

**SUBMITTAL TO THE BOARD OF COMMISSIONERS HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

maintain and extend the life of the existing affordable housing inventory, and improve the quality of life and independence for the senior and disabled homeowner population of the County of Riverside.

Furthermore, the rehabilitation improvements may increase property values and provide additional property tax revenue to the local jurisdictions.

SUPPLEMENTAL:

Additional Fiscal Information

No impact upon the Housing Authority's General Fund; the Housing Authority's contribution to the Program will be fully funded through the 2011 Tax Allocation Housing Bonds, Series A proceeds pursuant to the previously approved ROPS 16-17.

The approximate allocation of the estimated Program budget is as follows:

PROGRAM BUDGET LINE ITEMS

PROGRAM BUDGET AMOUNT

Rehabilitation (Construction)

\$850,000

Developer - Administrative Fee

\$150,000

HA - Program Staffing

\$50,000

Total Program Budget

\$1,050,000

Attachments:

- Senior Home Rehabilitation Grant Program Guidelines
- Notice of Exemption
- Resolution No. 2016-010
- Site Map

RF:JWW:HM:JA:MT 1737



Gregory P. Priamos, Director County Counsel 11/3/2016

2
3 **RESOLUTION NO. 2016-010**

4 **AUTHORIZING THE ESTABLISHMENT OF THE SENIOR HOME REHABILITATION**
5 **GRANT PROGRAM WITHIN THE REDEVELOPMENT PROJECT AREAS**
6 **OF THE FORMER REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND**
7 **UNINCORPORATED COUNTY OF RIVERSIDE**
8 **(All Supervisorial Districts)**
9

10 **WHEREAS**, the Redevelopment Agency for the County of Riverside ("RDA") was a redevelopment
11 agency duly created, established and authorized to transact business and exercise its powers, pursuant to the
12 California Community Redevelopment Law (Part 1 of Division 24 of the California Health and Safety Code
13 (commencing with section 33000 et seq.) ("CRL");

14 **WHEREAS**, the County of Riverside ("County") Board of Supervisors adopted redevelopment plans for
15 Redevelopment Project Area Nos. 1-1986, Jurupa Valley, Mid-County, Desert Communities and the I-215
16 Corridor, as amended, ("Project Areas");

17 **WHEREAS**, the RDA was responsible for the administration of redevelopment activities within the
18 jurisdiction of the County and implementing the redevelopment plans for the Project Areas;

19 **WHEREAS**, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added
20 Parts 1.8 and 1.85 to the CRL. As a result, the RDA was dissolved on February 1, 2012 such that the RDA is now
21 deemed a former redevelopment agency under Health and Safety Code Section 34173;

22 **WHEREAS**, pursuant to Health and Safety Code Section 34176 (a), all housing functions previously
23 performed by the former RDA, including related rights, powers, duties, obligations, and housing assets were
24 transferred to the Housing Authority of the County of Riverside, a public entity, corporate and politic ("Housing
25 Authority");

26 **WHEREAS**, the Housing Authority is organized and existing under the Housing Authorities Law
27 (commencing at Section 34200 of the California Health and Safety Code), and authorized to transact business and
28 exercise the powers of a housing authority;

1 **WHEREAS**, on September 22, 2015 State budget trailer bill SB107 passed which made amendments to the
2 existing Dissolution Act. Under the Dissolution Act, only housing bond proceeds from bonds issued prior to
3 January 1, 2011, that were issued for affordable housing purposes and secured by a pledge of low and moderate
4 income housing funds, remaining after satisfaction of enforceable obligations approved on a Recognized Payment
5 Obligation Schedule, were considered housing assets and were allowed to be expended. SB 107 changed the date
6 by which the applicable housing bonds must have been issued from January 1, 2011 to June 28, 2011;

7 **WHEREAS**, the Housing Authority has unused housing bond proceeds issued prior to June 28, 2011
8 derived from former RDA Tax Allocation Housing Bonds, Series A;

9 **WHEREAS**, on January 26, 2016, the Board of Supervisors of the County approved the Recognized
10 Obligation Payment Schedule for the fiscal year 2016-2017 ("ROPS 16-17") and the use of \$1,050,000 derived
11 from 2011 Tax Allocation Housing Bonds, Series A proceeds to fund a senior home rehabilitation grant program;

12 **WHEREAS**, the Board of Commissioners (Board) desires to establish the Senior Home Rehabilitation
13 Grant Program (Program) to assist qualified senior and disabled homeowners, with incomes not exceeding 50% of
14 area median income, adjusted for household size, to perform necessary repairs on their homes. Through the
15 proposed Program the Board desires to diminish substandard senior housing units, maintain and extend the life of
16 existing affordable senior and disabled housing inventory, correct health and safety hazards in deteriorated senior
17 and disabled housing units, and improve the quality of life and independence for the senior and disabled
18 homeowner population in the County;

19 **WHEREAS**, the proposed Program will be carried out within the Project Areas and within
20 Unincorporated County of Riverside, and implemented and governed by the proposed Housing Authority of the
21 County of Riverside Senior Home Rehabilitation Grant Program Guidelines attached hereto as Exhibit "A" and
22 incorporated herein by this reference ("Program Guidelines");

23 **WHEREAS**, pursuant to California Health and Safety Code Section 33334.2 (g), Resolution Number RDA
24 2005-35 and Resolution Number 2005-374, each adopted on December 20, 2005, authorize the use of the 2011 Tax
25 Allocation Housing Bonds, Series A proceeds outside the Project Areas since the former RDA and County made
26 requisite findings therein that the use of RDA low and moderate income housing funds for low and moderate
27 income housing outside the Project Areas is of benefit to the Project Areas;

28 **WHEREAS**, under the proposed Program qualified senior and disabled homeowners can receive grants of

1 up to \$25,000 to be used to rehabilitate and repair owner-occupied residential property, such as a single-family
2 home, duplex, manufactured home, mobile home, or condominium. Eligible repairs will be limited to those
3 necessary for the health and safety of the occupants and other items necessary to bring the property into code
4 compliance;

5 **WHEREAS**, the Board desires to approve an allocation of funding in the approximate amount of
6 \$1,050,000 derived from the 2011 Tax Allocation Housing Bonds, Series A, proceeds to be used as follows, (i)
7 \$850,000 for general rehabilitation and construction cost in accordance with the Program Guidelines; (ii) \$150,000
8 for contractor administrative costs; and (iii) \$50,000 to pay direct Housing Authority staffing expenses and legal
9 fees associated with staff administration of the proposed Program;

10 **WHEREAS**, to increase the efficiency of the proposed Program and assist the Housing Authority in
11 expeditiously diminishing the substandard senior and disabled housing inventory, the Board desires to delegate
12 authority to the Executive Director, or designee, to approve, issue and modify Program grants and disburse Program
13 grant funds to qualified households in a maximum cumulative total amount not to exceed \$25,000, provided the
14 senior and/or disabled homeowner satisfies the requirements set forth in the proposed Program Guidelines,
15 including, but not limited to the following, (i) the homeowner must be 62 years of age or older and/or disabled, (ii)
16 the residential dwelling must be owner-occupied, (iii) the residential dwelling must be located within
17 Unincorporated County of Riverside or within a Project Area, (iv) the residential dwelling must be a single-family
18 home, duplex, manufactured home, mobile home, or condominium, and (v) the total household income shall be at
19 or below fifty (50%) percent of the area median income, adjusted for household size, subject to approval by County
20 Counsel;

21 **WHEREAS**, the Program was reviewed under the California Environmental Quality Act (CEQA) and
22 determined to be categorically exempt under State CEQA Guidelines Section 15301, Class 1 - Existing Facilities,
23 and State CEQA Guidelines Section 15061(b)(3), General Rule or "Common Sense" Exemption. The project
24 relates to the establishment of a program and fund to pay administration fees and rehabilitation costs relating to
25 existing residential dwellings such as traditional single-family housing, duplexes, manufactured homes, mobile
26 homes, or condominiums (Project). The proposed Project is exempt under State CEQA Guidelines Section 15301,
27 Class 1 - Existing Facilities since it includes the minor rehabilitation of existing residential structures, and not
28 expansion of an existing use will occur. In addition, the Project is also exempt under the common sense exemption

1 of State CEQA Guidelines section 15061(b) (3) in that it can be seen with certainty there is no possibility that the
2 Program may have a significant effect on the environment, as the payment of costs, fees and expenses necessary to
3 rehabilitate pursuant to the Program will have mostly financial effects and will not lead to any direct or reasonably
4 indirect physical environmental impacts;

5 **WHEREAS**, the Board believes that the establishment of the Program is in the best interests of the County
6 and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of
7 applicable State and local law and requirements.

8 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED** by the Board
9 of Commissioners of the Housing Authority of the County of Riverside ("Board"), State of California, in regular
10 session assembled on November 15, 2016, at 9:00 a.m., in the meeting room located on the 1st Floor of the County
11 Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

- 12 1. That the Board hereby finds and declares that the above recitals are true and correct.
- 13 2. The Board hereby finds that the Program is determined to be categorically exempt under State
14 CEQA Guidelines Section 15301, Class 1 - Existing Facilities, and State CEQA Guidelines Section
15 15061(b) (3), General Rule or "Common Sense" Exemption. The project relates to the
16 establishment of a program and fund to pay administration fees and rehabilitation costs relating to
17 existing residential dwellings such as traditional single-family housing, duplexes, manufactured
18 homes, mobile homes, or condominiums (Project). The proposed Project is exempt under State
19 CEQA Guidelines Section 15301, Class 1 - Existing Facilities since it includes the minor
20 rehabilitation of existing residential structures, and not expansion of an existing use will occur. In
21 addition, the Project is also exempt under the common sense exemption of State CEQA Guidelines
22 section 15061(b) (3) in that it can be seen with certainty there is no possibility that the Program
23 may have a significant effect on the environment, as the payment of costs, fees and expenses
24 necessary to rehabilitate pursuant to the Program will have mostly financial effects and will not
25 lead to any direct or reasonably indirect physical environmental impacts
- 26 3. The Board hereby approves and establishes the Housing Authority of the County Riverside Senior
27 Home Rehabilitation Grant Program ("Program") which shall operate within the Project Areas and
28 Unincorporated County of Riverside to assist qualified senior and disabled homeowners perform

1 necessary repairs on their homes.

2 4. The Board hereby approves the Housing Authority of the County Riverside Senior Home
3 Rehabilitation Grant Program Guidelines, a copy of which is attached hereto as Exhibit "A" and
4 incorporated herein by this reference ("Program Guidelines"). The Program shall be operated and
5 administered in accordance with the attached Program Guidelines.

6 5. The Board hereby approves the allocation of \$1,050,000 derived from the 2011 Tax Allocation
7 Housing Bonds, Series A, proceeds to fund the program, to be used as follows, (i) \$850,000 for
8 general rehabilitation and construction cost in accordance with the Program Guidelines; (ii)
9 \$150,000 for contractor administrative costs; and (iii) \$50,000 to pay direct Housing Authority
10 staffing expenses and legal fees associated with staff administration of the proposed Program.

11 6. The Board hereby approves and authorizes the delegation of authority to the Executive Director, or
12 designee, to approve, issue and modify Program grants and disburse Program grant funds to
13 qualified households in a maximum cumulative total amount not to exceed \$25,000, provided the
14 senior and/or disabled homeowner satisfies the requirements set forth in the proposed Program
15 Guidelines, including, but not limited to the following, (i) the homeowner must be 62 years of age
16 or older and/or disabled, (ii) the residential dwelling must be owner-occupied, (iii) the residential
17 dwelling must be located within Unincorporated County of Riverside or within a Project Area, (iv)
18 the residential dwelling must be a single-family home, duplex, manufactured home, mobile home,
19 or condominium, and (v) the total household income shall be at or below fifty (50%) percent of the
20 area median income, adjusted for household size, subject to approval by County Counsel.

21 7. The Board hereby authorizes the Executive Director, or his designee, to
22 sign all documents necessary and appropriate to carry out and implement the Program and to
23 administer the Housing Authority's obligations, responsibilities, and duties to be performed under
24 the Program Guidelines, including, but not limited to, approving expenditures of funding up to the
25 limits approved by the Board, drafting, negotiating, and executing, subsequent essential and
26 relevant documents, including, but not limited to Program grant agreements, promissory notes,

27 ///

28 ///

BY: Shirley K. Brown 11-3-16
MALLA R. BROWN DATE

deeds of trust, covenant agreements, security agreements, and other necessary documents, in accordance with the Program Guidelines and subject to approval by County Counsel.

ROLL CALL:

Ayes: Jeffries, Benoit and Ashley
Nays: None
Absent: Tavaglione and Washington

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board

By *Karupastan*
Deputy

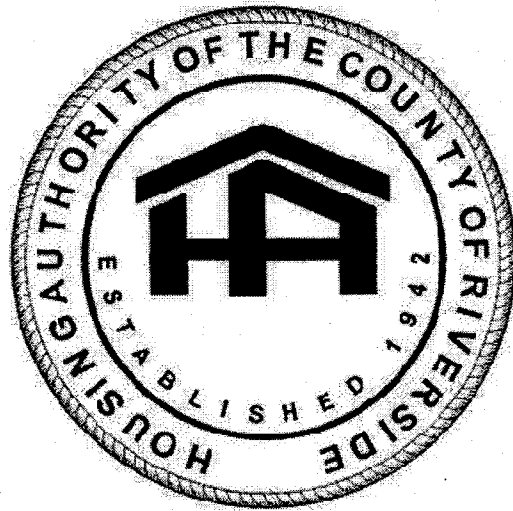
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EXHIBIT A

Senior Home Rehabilitation Grant Program Guidelines

(behind this page)



**HOUSING AUTHORITY OF THE COUNTY OF
RIVERSIDE**

SENIOR HOME REHABILITATION GRANT PROGRAM

GUIDELINES

1. GENERAL POLICIES

1.1 PROGRAM OVERVIEW AND OBJECTIVES

The Senior Home Rehabilitation Grant Program (Program) is designed to provide assistance to income eligible senior homeowners to finance health and safety-related repairs to their homes. The Program is available for very-low income owner-occupied residential structures located within a Redevelopment Project Area of the former Redevelopment Agency for the County of Riverside ("Redevelopment Agency") and the unincorporated communities of the County of Riverside ("County"). The Program provides assistance in the form of a conditional grant up to the maximum total amount of \$25,000 derived from former Redevelopment Agency tax-exempt housing bond proceeds. The Housing Authority of the County of Riverside ("Housing Authority") is the housing successor to the former Redevelopment Agency and has been authorized to use the bonds funds by the State of California Department of Finance. Rehabilitation work authorized to be performed under the Program will be completed or caused to be completed by two qualified developers ("Developers") selected by the Housing Authority pursuant to a request for proposals. The vastness of the County necessitates the selection of two Developers that will cover and serve the unincorporated communities in the western and eastern portions of the County. The solicitation will be issued after program and funding approval by the Board of Supervisors (BOS).

The goals of the Program are to:

- A. Reduce the number of substandard senior housing units within the unincorporated communities of the County of Riverside;
- B. Maintain and extend the life of the existing affordable housing inventory; and
- C. Improve the quality of life and independence for the senior homeowner population of the County of Riverside.

1.2 PROGRAM OUTREACH AND MARKETING

All outreach efforts shall be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach, and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender, or sexual orientation be excluded, denied benefits, or subjected to discrimination under the Program. The Developer shall ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Equal Housing Opportunity and Americans with Disabilities Act (ADA) logos shall be placed on all outreach materials produced by the Housing Authority. Flyers or other outreach materials, in English and any other language that is the primary language

of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to local social service agencies.

B. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Housing Authority/Developer shall take appropriate steps to ensure effective communication with disabled housing applicants, residents, and members of the public.

1.3 CONFLICT OF INTEREST

In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no employee, agent, consultant, officer, or elected official or appointed official of the County of Riverside who is in a position to participate in a decision-making process or gain inside information regarding the program activities shall directly or indirectly be ineligible for this Program. This ineligibility extends to those with business or immediate family ties to any individual previously described, and shall continue for one (1) year after an individual's relationship with the County ends. The Housing Authority and the County of Riverside can only make exceptions to the policy after public disclosure and formal approval.

1.4 RELOCATION

The Program shall not provide assistance to any activities that will require the property owner to vacate the premises on a permanent or temporary basis.

2. PROGRAM ELIGIBILITY

Both the applicant and the residential property subject to proposed rehabilitation work must be eligible for assistance, as set forth below.

2.1 PROPERTY

The property shall meet the following conditions:

A. The property shall be a single-family, duplex, manufactured home, mobile home owners paying space rent, or condominium residential dwelling unit that provides complete independent living facilities, including permanent provisions for living, sleeping, cooking, eating, and sanitation. The applicant shall have sole ownership of and responsibility for any system or structure repaired or replaced under the program.

B. The property shall be owner-occupied and located within the unincorporated communities of the County or a Redevelopment Project Area of the former Redevelopment Agency. All persons listed on the property title must occupy the home as their primary residence.

C. The property shall be in need of repair to correct health and safety hazards in order to allow continued safe occupancy of the home.

D. The property must be suitable for rehabilitation. A property may be considered unsuitable for repair or rehabilitation if it is deteriorated beyond feasible economic repair and/or the level of work exceeds the scope of the program guidelines.

E. Requested repairs must not be a part of an existing homeowner's insurance claim, or repair/rehabilitation project.

F. If requested repairs might be covered by home insurance policy, the homeowner will be required to make an insurance claim. A denial of the claim would be required before proceeding with the repairs.

G. The Housing Authority and the selected contractor must be listed as additional insured on the homeowner's insurance policy.

H. If the property is located within a federally-designated Special Flood Hazard Area (SFHA) (ex. 100-year floodplain), the homeowner must submit evidence of Flood Hazard Insurance and must remain active for the duration of the grant affordability period, otherwise, the property is not eligible for this program.

I. The property must be maintained (exterior and interior) in accordance with the terms of a Covenant Agreement substantially approved as to form and content by the Housing Authority, signed by the property owner(s) and recorded against the property as a lien for a period of up to 45 years. The covenant restricts the use and occupancy of the subject property for the duration of the covenant period. The grant will become repayable to the Housing Authority in the event the homeowner breached the covenants agreement during the affordability period set forth in the Covenant Agreement. Use and occupancy restrictions set forth in a Covenant Agreement, include, but are not limited to, the homeowner agreeing to live in the property for the duration of the affordability period, and agreeing not to encumber the property with line-of-credit loans, second mortgages, or bill payer loans. The home can only be sold with the stipulation that the asking price must be low enough for an income qualified senior (62 years of age or older) buyer or the grant must be repaid to the Housing Authority.

2.2 APPLICANT

The applicant/homeowner shall meet the following conditions:

A. The applicant shall be an individual of 62 years of age or older.

B. The applicant shall have legal and/or equitable title to the subject property and shall permanently reside in the dwelling in need of repairs. If the property is owned by more than one person, all legal owners must execute the necessary covenant agreement documents.

1) Applicants meeting all other eligibility criteria who hold a Life Estate on the property and reside on the property are eligible for the Program. Income eligibility shall be determined by the income of the occupant/holder of the Life Estate. The holder of the Fee Simple Estate shall be required to sign all agreement documents. The covenant agreement conditions shall provide that the grant is due and payable upon sale or transfer of the property and upon termination of the Life Estate of the current occupant.

2) Applicants meeting all other eligibility criteria and who currently reside on a property with a title held by a living trust are eligible for the Program. Income eligibility is determined by the income of the applicant/occupant. The covenant agreement conditions are based on the continued occupancy of that specific occupant in the residence.

C. The applicant shall have owned and resided in the dwelling in need of repairs no less than one (1) year prior to submitting an application.

D. The applicant(s) shall qualify as a very low income household meaning the households income shall be at or below fifty (50%) percent of the area median income, adjusted for household size, in effect at the time of application, as determined pursuant to California Health and Safety Code Section 50105. The income limits adopted by the State of California Department of Housing and Community Development at the time of grant approval shall apply when determining applicant income eligibility. However, if repair work fails to commence within six (6) months of grant approval, the applicant shall be required to requalify at the most current income limits. The 2016 State Income Limits for very low-income (50%) are listed below (*please note, income eligibility changes annually*):

2016 Income Eligibility

Persons in Family	Very Low-Income (50%) Limits
1	\$23,450
2	\$26,800
3	\$30,150
4	\$33,500
5	\$36,200
6	\$38,900
7	\$41,550
8	\$44,250

E. The applicant shall not own or have an interest in any real property other than the subject property.

F. The applicant shall not have received assistance from any County of Riverside housing repair program within the ten (10) years preceding the application.

G. The applicant shall be current on all mortgage payments, property tax payments and not have delinquent federal or county debt. Additionally, if the applicant owns a manufactured home or mobilehome, the home must be registered and current with the necessary documentation and fees required by the California Department of Housing and Community Development (HCD).

H. The applicant shall be willing and able to maintain the property in a safe and clean manner until the grant term has ended. The HOUSING AUTHORITY has sole discretion in determining the applicant's ability to maintain the property, and may use the current condition of the property to make this determination.

2.3 ELIGIBLE REPAIRS

A. Eligible repairs are limited to those necessary for the health and safety of the occupants and other items necessary to bring the property into code compliance. The Developer shall make a determination as to whether a situation constitutes the existence of a health and safety hazard.

B. Examples of repairs that will generally qualify are roof repair or replacement, heating, ventilating, and air-conditioning system repair or replacement, water heater replacement, and plumbing and electrical repair or replacement, repair or replacement of septic systems or wells, window and door replacement, seismic retrofitting, lead-based testing/abatement, and repair of crumbling foundations or support structures. Accessibility improvements, such as door widening, wheelchair ramps, or grab bar installation, will also generally qualify. Additional rehabilitation improvements may include clearance and demolition, repairs or improvements required by the County of Riverside Transportation & Land Management Agency (TLMA) departments necessary to meet basic code compliance, and fees originating from the rehabilitation improvements (e.g. architectural and engineering, plan check, building permit, etc.).

Note: Replacement and repair of fencing (e.g. chain-link, wood, vinyl, etc.) along property line frontages may be considered eligible for funding, if the existing fencing poses an extreme hazard to public health and safety.

2.4 INELIGIBLE REPAIRS

A. Ineligible repairs shall include, but are not limited to, the following: repairs not directly related to health and safety, routine/ordinary maintenance (such as gutter or dryer vent cleaning, landscape/yard work), appliance repairs or replacement, repairs to garages or other spaces not considered living quarters and

not required to access living quarters, luxury and/or cosmetic improvements (such as routine "maintenance" painting), landscaping (including tree removal), off-site improvements (including any improvements to property not located on the same parcel nor directly benefiting the single-family dwelling), interim financing, real property acquisition, operating and maintenance costs, refinancing or consolidation of existing debt, consultant fees not related or associated to the specific home repairs, repairs or costs incurred prior to grant approval, and non-capital equipment.

B. Repairs covered by insurance claims are not eligible for funding from this Program.

3. GRANT TERMS

3.1 MAXIMUM GRANT AMOUNT

Eligible applicants may receive a conditional grant amount of up to a maximum total of \$25,000.

3.2 INTEREST RATE

The conditional grant shall bear no interest.

3.3 GRANT FORGIVENESS

The conditional grant shall be forgiven and repayment shall not be required, if, the homeowner is not in default of the Covenant Agreement upon its expiration. The length of the affordability periods set forth in a Covenant Agreement shall be based on the amount of the conditional grant as follows:

Grant Amount	Affordability Period (Years)
Up to \$15,000	15
\$15,001 – \$25,000	45

Grant amounts not exceeding \$15,000 will have a fifteen (15) year affordability period and amounts from \$15,001 to \$25,000 will have an affordability period of forty-five (45) years. The affordability period(s) will be secured by a recorded Covenant Agreement consistent with the terms of Community Redevelopment Law (California Health and Safety Code Section 33000 et seq.) housing provisions. Upon the expiration of the applicable affordability period(s) and provided that the homeowner continues to occupy the dwelling and meets the terms of the Covenant Agreement, the principal balance will be forgiven.

3.4 REPAYMENT

Monthly payment is not required on the grant amount. However, if homeowner no longer occupies property as their primary residence, sells the property or refinances the original

first mortgage loan prior to the completion of the fifteen (15) or forty-five (45) year term, the principal amount of the grant amount is payable in full to the Housing Authority. Repayment of the grant amount due to refinance of the original first mortgage is not required if such refinance is solely for the purpose of reducing the homeowner's primary mortgage carrying costs and homeowner receives prior authorization from the Housing Authority to refinance.

3.5 GRANT SECURITY

Each grant shall be evidenced by a forgivable promissory note and secured by a Covenant Agreement or other designated security instrument such as a deed of trust. The Covenant Agreement shall be recorded. All owners listed on the subject property's title, whether or not they reside on the property, must sign the grant documents.

3.6 EVENTS OF DEFAULT

The conditional grant shall become due and immediately payable upon the occurrence of any one of the following events:

- A. Sale or transfer of the property, including, without limitation, lease, exchange or other disposition of the property or any interest therein whether voluntary or involuntary to a household not meeting the age and income requirements of the Program;
- B. If the applicant/homeowner is no longer the occupant of the property;
- C. The close of a probate estate following the death of participant; or
- D. Any default under the forgivable loan note, Covenant Agreement or other security instrument.

3.7 INSURANCE REQUIREMENTS

The homeowner shall maintain, during the term of the grant, a policy insuring the subject property in an amount equal to or greater than the replacement value of the property. The policy shall name the Housing Authority and Developer as additional insured and shall contain a statement of obligation on behalf of the carrier to notify the Housing Authority and Developer of any material change, cancellation, or termination of coverage at least thirty (30) days in advance of the effective date of such material change, cancellation, or termination. Participant shall annually transmit to Housing Authority and Developer a copy of the certificate of insurance and an additional insured endorsement, signed by an authorized agent of the insurance carrier setting forth the general provisions of coverage. Any certificate of insurance must be in a form, content, and with companies approved by Housing Authority.

3.8 GRANT TRANSFER

All grants are non-transferable.

3.9 GRANT MONITORING

Grants shall be monitored on an annual basis to ensure compliance with the terms of the Covenant Agreement, including but not limited to, owner-occupancy, insurance requirements, property tax payment, and general maintenance of the home. The Housing Authority and/or Developer reserve the right to schedule interior and exterior inspections with the homeowner. Homeowners in default of their Covenant Agreement terms shall have sixty (60) calendar days from the date of notification to correct the event of default.

4. PROGRAM PROCEDURES

4.1 WAITLIST

The Housing Authority or its designee shall maintain a waitlist for Program assistance. Persons may request to be added to the waitlist at any time by contacting the Housing Authority staff. As funding allows, Housing Authority staff will contact households on the waitlist and offer them the opportunity to complete an application. Households shall have thirty (30) days from the date of initial contact to submit a complete application; households failing to submit a complete application in this timeframe will be removed from the waitlist.

The Housing Authority may close the waitlist at such a time when the number of persons on the waiting list exceeds the number that can reasonably be expected to secure funding through the Program.

4.2 APPLICATION

Each applicant shall complete an application form, which will ask for sufficient information concerning income, employment, assets, and property characteristics to establish preliminary eligibility for Program participation. Applications shall be deemed complete only if all information is complete and submitted in the format requested, and the application is signed and dated.

At a minimum, applicants must submit for all adults living in the household the most recent six months of income documentation (e.g., paystubs, Social Security award letters); most recent three years of federal tax returns; most recent six months of banking/investment statements for all accounts, including retirement accounts; copy of deed or title to property; and the most recent mortgage statement(s). Applicants may be required to provide additional and/or older documentation to confirm Program eligibility. The Housing Authority may conduct employment and/or asset verifications with employers, benefit agencies, banks, etc.

If the Housing Authority encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that cannot be resolved to the satisfaction of the Housing Authority, the Housing Authority

reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

All potential senior households interested in participating in the Program may download or complete an application by accessing www.rivcoeda.org (Riverside County EDA) or www.harivco.org (HOUSING AUTHORITY) or the Developer website, by telephone at (951) 343-5469, facsimile, or by direct mail. The Developer staff will pre-qualify the applicant to determine program eligibility and all applicant documentation will be forwarded to Housing Authority staff to determine final program eligibility.

4.3 INCOME ELIGIBILITY

Developer staff will gather and pre-qualify eligible applicants by calculating the annual household and examining source documents such as: federal and state income tax returns, bank and investment statements, pay stubs, wage receipts, subsidy award letters, income checks, third-party verification of employment forms, or other income documentation from each household member 18 years old or older.

If the applicant is pre-qualified by the Developer, income and asset documentation shall be forwarded to the Housing Authority for final review, verification and approval. Other documentation necessary to confirm or calculate an applicant's household income may be required if deemed necessary by the Housing Authority. As previously indicated, the applicant's total household income shall be at or below fifty (50%) percent of the area median income, adjusted for household size, as determined pursuant to California Health and Safety Code Section 50105. Please see the table referenced in Section 2.2 D for 2016 income eligibility. *Please note, income eligibility changes annually and the aforementioned table may not apply in the year 2017.*

4.4 GRANT DOCUMENTS

The Housing Authority shall prepare the necessary grant documents for the homeowner's signature. These shall include:

- A. Covenant Agreement
- B. Forgivable Promissory Note
- C. Deed of Trust or other Security Instrument
- D. Notice to Proceed (NTP)

The Covenant Agreement and Security Instrument shall be recorded in order to secure the grant. A forgivable promissory note shall be executed by the homeowner(s) to evidence the grant. The NTP shall be issued after all grant documents are fully executed and recorded, and after the *rescission period* has ended. Rehabilitation work must begin no later than ten (10) days from the date of the Notice to Proceed (NTP) is issued. The contractor shall complete the work within the timeframe indicated on the NTP. The Developer reserves the right to extend the timeframe if the necessary conditions exist to allow such an extension.

4.5 PROPERTY INSPECTION/SCOPE OF WORK/ESTIMATE

Prospective properties will be inspected by the Developer to determine eligibility and acceptability for participation in the Program. The Developer will contact the homeowner to schedule a property inspection to determine the need for repairs. The Developer will evaluate and note any structures or systems which need repair or replacement. The Developer will provide a comprehensive review of the Program with the homeowner and describe the requirements, conditions, processes and terms of the assistance. The Developer must inspect the interior and exterior of the home to obtain a clear understanding and agreement of the necessary repairs. Developer staff must go over eligible and ineligible repairs with the homeowner. The Developer must take comprehensive photographs of the home and specific areas that need repairs, rehabilitation or replacement.

In the event that the necessary repairs are estimated to exceed available funding, the Developer will determine the priority of the repairs. If the Developer determines that the dwelling cannot be made safe and habitable with the available funding, the property shall be ineligible for assistance.

If the home is a pre-1978 dwelling, the initial inspection will also include paint testing by a certified Lead-Based Paint (LBP) inspector/assessor. Code deficiencies will be corrected and if lead hazards are found they will be properly treated/abated according to HUD regulations and cleared by a certified LBP inspector/assessor.

Eligible repairs will be noted on an inspection form, and later used by the Developer to prepare the work write-up and an estimate of costs to complete the repairs. A copy of the scope of work/specifications write-up and estimated cost shall be provided to the homeowner(s). The approved scope of work/specifications write-up will be incorporated into the bid documents.

LEAD-BASED PAINT NOTIFICATION AND DISCLOSURES -

Participants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as follows:

- 1. The Lead Hazard Information Pamphlet published by the EPA/HUD/Consumer Product Safety Commission will be given to all owners regardless of the cost of rehabilitation or paint test findings. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption will also be supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report will also be provided.*
- 2. All paint tests that result in a negative finding of lead-based paint are exempt from any and all additional requirements. If defective paint surfaces are found, they will be properly treated or abated. A State-certified Inspector/Assessor will perform all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers will perform all abatement.*

4.6 BIDDING PROCESS AND CONTRACTOR SELECTION

The Developer shall maintain a list of qualified contractors, who are bonded, licensed and in good standing with the California State Licensing Board (CSLB). Furthermore, they must be experienced and familiar with residential rehabilitation construction. Contractors listed on the Limited Denial of Participation (LDP), System for Award Management (SAM), or any other State or local debarment list shall be ineligible for the Program. The contract must express an interest on bidding on jobs through the Program. Interested contractors may contact the Developer to be added to the list. The Housing Authority and Developer shall make no representations or warranties regarding the listed contractors or their quality of work. Homeowners are encouraged to refer contractors so they can be added to the list. The Developer shall be responsible for securing bids from licensed contractors. All bids must be submitted on the Developer's forms. A minimum of three (3) bids is required and the awarded contractor must be the lowest and most responsive and responsible bidder. The selected contractor must begin work no later than ten (10) days from the date of the Notice to Proceed (NTP). Prior to construction contract award (but not as a part of the bid submission) the successful bidder will be required to furnish the following documents:

A. Proof of Commercial General Liability Insurance coverage indicating the policy limits and the corresponding endorsements.

B. Completed W-9 Form

C. Business License: A copy of the bidder's business license allowing that entity to provide such services within the County of Riverside, State of California.

D. Contractor's License: A copy of the bidder's license issued by the California Contractors State License Board (CSLB) allowing the bidder to provide the services detailed herein. Contractor shall be licensed, current and in good standing.

E. At least two (2) references for similar work performed in the past.

4.7 CONSTRUCTION CONTRACT

The Developer shall prepare a Home Improvement Contract between the selected contractor and the homeowner, approved by the Housing Authority, in an amount not to exceed the bid plus a ten (10) percent contingency or the grant maximum, whichever is less. A copy of this contract shall be provided to the homeowner and the contractor for review. The homeowner shall not enter into any other agreement with the contractor (verbal or written) during the active term of the Home Improvement Contract.

4.8 CHANGE ORDERS

A change order must be executed for any deviation, addition, or deletion made to the original job specification. All change orders shall be first approved in writing by the Housing Authority Executive Director or designee and signed by the Developer,

contractor, and the homeowner prior to the work modification being undertaken. Since change order requests add to the administrative cost of a project, they should be held to a minimum and only those changes necessary for proper job completion should be considered. Even if no money is involved in a change, such as an extension of time, a change order must be executed. Each change is a modification of the contract and must be documented and approved by the Housing Authority.

4.9 WORK COMPLETION

At the completion of the project, the Developer shall conduct a final walk-through with the homeowner, and contractor to address any outstanding items. Upon completion of work and final inspection by a County of Riverside building inspector, if required, a Notice of Completion (NOC) shall be signed by the Developer, the Housing Authority, building inspector (if required), and the homeowner.

4.10 DISBURSEMENT

The Housing Authority shall disburse funds to the Developer and each contractor after submission to Housing Authority of required invoices and documentation. The disbursement may only take place after all work has been performed, the final inspection completed, an unconditional lien release received by the Housing Authority from the Developer and/or contractor and any subcontractors, as applicable, and the lead-based paint clearance achieved, if necessary. No contractor is to be advanced any funds or receive prepayment for any materials or labor costs. Progress payments are not allowed. Construction disbursements cannot be released without the signatures of the homeowner, contractor, Developer and the Housing Authority staff representative. The standard timeframe to disburse funds is thirty (30) calendar days from the date of final inspection and/or issuance of the NOC, however, every effort shall be made to disburse funds within fifteen (15) calendar days.

5 HOMEOWNER AND CONTRACTOR RESPONSIBILITIES

5.1 HOMEOWNER RESPONSIBILITIES

The homeowner shall be responsible for paying any costs above the approved grant amount indicated in the Housing Authority grant documents. The homeowner shall be responsible for providing the contractor and Developer with access to all areas of the home where repairs are taking place, removing belongings from work areas, and letting the contractor know if there is a problem with the rehabilitation work. The homeowner shall provide the necessary water, heat, and utilities necessary for the proper execution and completion of the repairs. The homeowner and other household members should expect to be mildly inconvenienced by the ongoing rehabilitation work and by the presence of construction workers. The homeowner is expected to coordinate and communicate with the Developer representative throughout the period of construction.

5.2 CONTRACTOR RESPONSIBILITIES

The contractor shall supervise and direct the work using his/her best skill and attention, and shall maintain a professional appearance while completing the work. The contractor

is responsible for all means, methods, techniques and construction procedures and for coordinating all portions of the project. The contractor shall also ensure the appropriate conduct of his/her employees, and shall not employ any person unskilled in the task assigned. The contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, transportation and other services or facilities necessary to execute and complete the work unless otherwise noted in the contract documents. The contractor is responsible for giving all notices and complying with all laws, ordinances, rules, regulations, and orders regarding the work issued by any public authority including all permits, fees, and licenses necessary to complete the work. The contractor shall keep the worksite free from any accumulation of construction materials, debris, or rubbish. At the completion of the rehabilitation work, the contractor shall remove all construction related materials from the jobsite, along with all of his/her tools, construction equipment, machinery, and surplus materials.

The contractor must provide homeowner with a minimum of one (1) year warranty on all work and a minimum of three (3) year warranty on roof replacements. The contractor shall warrant that all materials and equipment incorporated in the work will be new, unless otherwise noted in the contract specification documents. Additionally, the contractor shall warrant that all work will be of good quality, free from faults and defects, and in conformance with the contract specifications. Any work not meeting these standards shall be deemed defective, and it will be the contractor's responsibility to remedy any problems arising from poor workmanship.

6. APPEAL PROCEDURE

Any Program applicant has the right to appeal if their application is denied. In addition, during pre-construction, construction, and post-construction periods, the homeowner has a similar right to have any disputes heard and resolved. The contractual obligation for rehabilitation is ultimately between the contractor and the homeowner. If a situation occurs where the two parties are in conflict, the following procedure will occur:

Stage 1: Before any intervention occurs, the homeowner or contractor shall communicate perceived problems or complaints directly to the other party. In an attempt to resolve the differences, each will give the other an opportunity to respond or correct the problem.

Stage 2: If the Stage 1 attempt fails, the homeowner or contractor may ask the assigned Developer staff representative to intervene. This intervention might include telephone calls to the contractor or homeowner, meetings at the job site or in the office, or other actions as appropriate, including such things as the establishment of written working guidelines or other post-contractual agreements. It must be recognized that at this point the homeowner may wish to utilize other options, including contacting the Contractor's State Licensing Board and submitting a complaint.

Stage 3: Any controversy between the parties that cannot be settled through the intervention process outlined above shall be submitted to binding arbitration. Costs of the arbitration will be borne by the party failing to make his case, or subject to the terms of the arbitration agreement.

- The parties shall attempt to agree on a single arbitrator to hear the dispute. If they cannot agree, the Housing Authority Executive Director shall appoint an arbitrator. The costs of the arbitration shall be subject to the terms of the arbitration agreement.

- The arbitration shall be conducted in accordance with the rules of the American Arbitration Association then in force. The parties expressly agree that the arbitration shall be subject to and governed by the Federal Arbitration Act, Title IX, USC 1 et seq.

7. AMENDMENTS

The Housing Authority Executive Director, or designee, shall have the right to make administrative, non-substantive technical revisions and amendments to these Program guidelines that do not (i) increase the maximum loan amount, (ii) change income requirements or grant forgiveness schedule, or (iii) modify any other lending terms, subject to approval by County Counsel. All other amendments and modifications to these program guidelines shall require the approval of the Housing Authority's Board of Commissioner's.