

# CITY OF PLACENTIA HOUSING REHABILITATION PROGRAM



## PROGRAM GUIDELINES

### PROGRAM OVERVIEW

The City of Placentia offers grants to low and moderate income homeowners to fund exterior repairs towards a single family residence or mobile home located within City limits. The Housing Rehabilitation Program is designed to preserve the City's supply of decent, safe and sanitary housing that is affordable to very low income persons and families.

To qualify for a program grant, both the homeowner and the property must satisfy specific eligibility criteria. Program grants are administered by Staff in the City's Neighborhood Services Division with funds allocated to the City through the Community Development Block Grant Program. Grant assistance is subject to availability of program funds.

### ELIGIBLE HOMEOWNERS

**Title Deed:** Homeowners must have title deed to eligible properties.

**Owner-Occupied:** Homeowners must currently occupy and intend to continue to occupy the property as their principal residence.

**Income Eligibility:** Program grants are available only to homeowners whose gross household income does not exceed fifty percent (50%) of the Orange County area median income adjusted for family size as published annually by the United States Department of Housing and Urban Development. Please refer to the Housing Rehabilitation Program Pre-Qualification Form for the current income limits.

**Total Net Assets:** Total net assets cannot exceed \$150,000. Of that amount, total liquid assets cannot exceed \$50,000. Equity in the applicant's principal residence is excluded from total assets. Liquid assets are defined as assets easily converted into cash, such as Treasury Bills, money market funds, certificates of deposits, bank deposits, and stocks. No retirement accounts shall be included in the computation of liquid assets.

**Capacity:** Homeowners must be of legal age and must have the capacity to enter into binding contracts.

**No Conflicts:** No member of the City Council and any employee, official, or consultant who exercises any policy decision-making function in connection with the program is eligible for program assistance.

### ELIGIBLE PROPERTIES

**Location:** Program grants are available to properties located in the City of Placentia.

**Single Family Residence:** The property must be a single family detached home or manufactured (mobile) home.

**Condition:** The property cannot evidence Municipal Code or public nuisance code enforcement violations visible from the exterior. No interior inspection will be conducted.

**No Tax Delinquency or Foreclosure Proceedings:** Property taxes and assessments must be paid current (unless the property owner is participating in the State Property Tax Postponement Program) and no notice of default or commencement of foreclosure proceedings is recorded against the property by a secured lender.

**PROGRAM GRANTS**

**Grant Amount:** Program grants are available for a maximum of up to Twelve Thousand Five Hundred Dollars (\$12,500.00) for eligible repairs. The City Administrator or designee may approve program grants in excess of the \$12,500 limit to complete essential rehabilitation improvements discovered in the course of completing the original scope of work.

**Number of Grants:** Eligible properties may not receive more than one program grant in any ten (10) year period.

**ELIGIBLE IMPROVEMENTS**

Eligible improvements must be physically attached to the property and be permanent in nature. Eligible improvements include the following:

<p><b>Single Family Residence</b></p> <ul style="list-style-type: none"> <li>▪ roof repair or replacement</li> <li>▪ ADA ramps/accessibility issues</li> <li>▪ exterior painting</li> <li>▪ exterior access improvements</li> <li>▪ special safety features to aid the physically disabled and the elderly</li> <li>▪ exterior repairs needed to correct health and safety hazards</li> </ul>	<p><b>Mobile Home Residence</b></p> <ul style="list-style-type: none"> <li>▪ roof repair or replacement</li> <li>▪ exterior siding</li> <li>▪ exterior painting</li> <li>▪ exterior access improvements and special safety features to aid the physically disabled and the elderly</li> <li>▪ exterior repairs needed to correct health and safety hazards</li> </ul>
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In order to be eligible for program assistance, proposed improvements must be approved by Staff following a property inspection and Work Write-Up. All rehabilitation work must be completed by qualified, licensed, and insured contractors.

**ELIGIBLE COSTS**

Program grants may be used only for the actual reasonable costs of the materials and labor necessary to complete the rehabilitation work approved by Staff and set forth in the Work Write-Up. Program grants



may also fund the property inspection required to prepare the Work Write-Up pursuant to Program Procedures.

### **PARTICIPATION PRIORITIES**

Funding is based on required health and safety criteria. All complete applications will be date stamped and processed in that order. Program assistance shall be denied to any homeowner who submits false information or does not meet program requirements per City Staff.

### **TERMS AND CONDITIONS**

**Program Documents:** Homeowners receiving program assistance must sign a Grant Agreement which sets forth the terms and conditions of the program grant. Homeowners must also enter into a Property Rehabilitation Agreement with the contractor or contractors completing the improvements.

**Maintenance Requirements:** Homeowners must maintain their properties in good repair and in a decent, safe, and sanitary condition consistent with community standards. Homeowners shall not permit property improvements to suffer deterioration or decline, or maintain, cause to be maintained, or permit to be maintained any public or private nuisance on or about the property.

**Nondiscrimination:** There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the selection of contractors to complete the rehabilitation work financed with program assistance, or in the sale, transfer, use, occupancy, tenure, or enjoyment of assisted properties.

**Records:** Homeowners shall keep such records as may be required with respect to the rehabilitation work financed with program grants, including work orders, invoices, and receipts.

**Compliance and Program Guidelines:** Homeowners must comply with Program Guidelines and Procedures. The City of Placentia will reserve the right to reject an application at any time.



# PROGRAM PROCEDURES

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## **STEP 1: APPLICATION AND REQUIRED DOCUMENTS**

Applications are available at Placentia City Hall located at 401 East Chapman Avenue, Neighborhood Services Office at 900 S. Melrose Street, or online at [www.placentia.org](http://www.placentia.org). Each application must be completed in its entirety, signed, and submitted with **all** required documents as listed in the application, including a grant deed or other evidence of ownership. The application must be submitted to the City of Placentia's Neighborhood Services Office located at 900 S. Melrose Street, Placentia, CA 92870. Incomplete applications will not be processed.

## **STEP 2: REVIEW OF APPLICATION**

All complete applications will be date stamped when received and processed in that order. Applications will be subject to review by Staff in two steps; first to determine the eligibility of the homeowner, and second to determine the eligibility of the property. Incomplete applications will not be processed until all requested information is submitted. Non-qualifying applicants shall be notified by letter of their ineligible status. Eligible homeowners will be contacted to schedule a property inspection.

## **STEP 3: PROPERTY INSPECTION**

Homeowners must be present during the property inspection. The inspector will take photographs and prepare a Work Write-Up defining the scope of the proposed improvements. Any requests for home improvements not examined during the inspection and not listed on the Work Write-Up are not eligible for program grant funding.

## **STEP 4: FINAL REVIEW**

City reserves the right to determine final eligibility of applicants based on requested funding amount and list of applicants per fiscal year.

## **STEP 5: WORK WRITE-UP AND CONTRACTOR SELECTION**

A Work Write-Up prioritizing the eligible improvements and a cost estimate for such improvements will be issued following the initial inspection described in Step 3. Upon Work Write-Up submission by inspector, Staff will solicit bids from qualified contractors on behalf of the homeowner.

- The bid solicitation shall include the property address and Work Write-Up, together with the date and time of a mandatory job walk-through. Only those contractors attending the mandatory job walk-through and submitting a completed bid proposal by the specified bid deadline shall be eligible.
- Property owners cannot serve in the capacity of contractor for the rehabilitation of their property.



Contractors must submit the following to Staff prior to commencing any work on the property:

- California State Contractor’s license verified as “Current, Active, and in Good Standing”. The information can be verified by contacting the State Contractor’s Board: (800) 321-2752 or [www.cslb.ca.gov](http://www.cslb.ca.gov).
- A current and valid City of Placentia business license.
- Evidence of workers’ compensation insurance and general liability insurance in amounts deemed adequate by Neighborhood Services Staff. Contractors must add the City of Placentia as additional insured/loss payee under its general liability policy.

#### **STEP 6: FINAL GRANT APPROVAL AND SIGNING OF PROGRAM DOCUMENTS**

Following selection and qualification of the contractor(s) and final grant approval by the City Administrator or designee, program documents will be prepared, including a Property Rehabilitation Agreement and Grant Agreement Contract for both the homeowner & contractor signature.

Following execution of all signed agreements the City will contact the selected contractor to sign a property rehabilitation agreement contract which must include, among other provisions, the specific work to be completed (conforming with the Work Write-Up), the contract price, the time for commencement and completion of the work, and a contractor guarantee of work for one full year.

#### **STEP 7: FINAL GRANT APPROVAL AND SIGNING OF PROGRAM DOCUMENTS**

Rehabilitation work shall not commence until Staff has issued a Notice to Proceed. Such notice shall be issued upon (i) execution of the grant Agreement by the City and the homeowner, (ii) submittal of a fully executed property agreement contract with the contractor performing the work, and (iii) submittal by the contractor of all required documentation described in Step 5.

Homeowners shall not contract independently with any contractor to concurrently perform additional work on the property beyond the scope of the Work Write-Up until: (i) a Notice of Completion is issued by program Staff and satisfactory completion of the improvements identified in the Work Write-Up and Property Rehabilitation Agreement, and (ii) final inspection has been obtained and approved for all outstanding building or other permits for the work.

#### **STEP 8: DISBURSEMENT OF PAYMENTS AND CLOSING OF FILE**

Payments shall be made upon completion of the work and the proper inspection and photographs of the improvements is made by City Staff and inspector. Checks will be issued payable to each contractor upon execution by the homeowner of a Payment Authorization Form. The homeowner’s file is then formally closed.

