

CITY OF HUNTINGTON PARK City Council Regular Meeting Agenda

Tuesday, June 18, 2024

6:00 p.m.
City Hall Council Chambers
6550 Miles Avenue, Huntington Park, CA 90255

Karina Macias
Mayor

Arturo Flores
Vice Mayor

Eduardo “Eddie” Martinez
Council Member



Jonathan Sanabria
Council Member

Esmeralda Castillo
Council Member

All agenda items and reports are available for review in the City Clerk's Office and www.hpca.gov. Any writings or documents provided to a majority of the City Council regarding any item on this agenda (other than writings legally exempt from public disclosure) will be made available for public inspection in the Office of the City Clerk located at 6550 Miles Avenue, Huntington Park, California 90255 during regular business hours, 7:00 a.m. to 5:30 p.m., Monday – Thursday, and at the City Hall Council Chambers during the meeting.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the City Clerk's Office either in person at 6550 Miles Avenue, Huntington Park, California or by telephone at (323) 584-6230. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

PLEASE SILENCE ALL CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

PLEASE NOTE--The numerical order of items on this agenda is for convenience of reference.

Items may be taken out of order upon request of the Mayor or Members of the City Council. Members of the City Council and the public are reminded that they must preserve order and decorum throughout the Meeting. In that regard, Members of the City Council and the public are advised that any delay or disruption in the proceedings or a refusal to obey the orders of the City Council or the presiding officer constitutes a violation of these rules.

- The conduct of City Council meetings is governed by the portion of the California Government Code commonly known as the "Brown Act" and by the Huntington Park City Council Meeting Rules of Procedure.
- The City Council meeting is for conducting the City's business, and members of the audience must obey the rules of decorum set forth by law. This means that each speaker will be permitted to speak for three minutes to address items that are listed on the City Council agenda or topics which are within the jurisdictional authority of the City.
- No profanity, personal attacks, booing, cheering, applauding or other conduct disruptive to the meeting will be permitted. Any person not adhering to the Rules of Procedure or conduct authorized by the Brown Act may be asked to leave the Council Chambers.
- All comments directed to the City Council or to any member of the City Council must be directed to the Mayor (or Chairperson if Mayor is absent).

We ask that you please respect the business nature of this meeting and the order required for the proceedings conducted in the Council Chambers.

PUBLIC COMMENT

For both open and closed session, each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another. **This is the only opportunity for public input except for scheduled public hearing items.**

All comments or queries shall be addressed to the Council as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the City Council shall be undertaken on any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

ADDITIONS/DELETIONS TO AGENDA

Items of business may be added to the agenda upon a motion adopted by a minimum two-thirds vote finding that there is a need to take immediate action and that the need for action came to the attention of the City or Agency subsequent to the agenda being posted. Items may be deleted from the agenda upon the request of staff or Council.

IMPORTANT NOTICE

The City of Huntington Park shows replays of City Council Meetings on Local Access Channel 3 and over the Internet at www.hpca.gov. NOTE: Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice.

CALL TO ORDER

ROLL CALL

Mayor Karina Macias
Vice Mayor Arturo Flores
Council Member Eduardo "Eddie" Martinez
Council Member Jonathan Sanabria
Council Member Esmeralda Castillo

INVOCATION

PLEDGE OF ALLEGIANCE

PRESENTATION(S)

1. PRIDE MONTH PROCLAMATION

PUBLIC COMMENT

Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the City Council on items listed on this agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.

STAFF RESPONSE

RECESS TO CLOSED SESSION

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2)
Consideration of one (1) potential case

CLOSED SESSION ANNOUNCEMENT

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items prior to the time the Council votes on the motion unless members of the Council, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.

CITY CLERK

1. CITY COUNCIL MEETING MINUTES

RECOMMENDED THAT CITY COUNCIL:

Approve Minute(s) of the following City Council Meeting(s):

1. Regular City Council Meeting held May 7, 2024

FINANCE

2. CHECK REGISTERS

RECOMMENDED THAT CITY COUNCIL:

1. Approve Accounts Payable and Payroll Warrant(s) dated June 18, 2024

COMMUNITY DEVELOPMENT

3. CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$ 49,603.00.

RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve funding.

4. CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$60,375.00.

RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve funding.

5. CONSIDERATION AND ADOPTION OF THE CITY OF HUNTINGTON PARK'S HOME PROGRAM POLICIES AND PROCEDURES

RECOMMENDED THAT CITY COUNCIL:

1. Receive and Adopt the Home Investment Partnership Act (HOME Program) Policies and Procedures for the administration of the program.

CITY CLERK

6. WAIVE FURTHER READING AND ADOPT RESOLUTION RECITING THE FACTS OF THE CONSOLIDATED MUNICIPAL ELECTION HELD ON MARCH 5, 2024 FOR ONE UNEXPIRED TERM CITY COUNCIL MEMBER SEAT

RECOMMENDED THAT CITY COUNCIL:

1. Adopt a Resolution reciting the facts of the consolidated municipal election held on March 5, 2024, for one unexpired City Council term. Declaring the Results thereof as Provided by Law.

END OF CONSENT CALENDAR

REGULAR AGENDA

COMMUNITY DEVELOPMENT

7. CONSIDERATION AND APPROVAL OF FIREWORKS SALES PERMIT APPLICATIONS SUBMITTED BY LOCAL NON-PROFIT ORGANIZATIONS IN THE CITY OF HUNTINGTON PARK

RECOMMENDED THAT CITY COUNCIL:

1. Approve the Fireworks Sales Permit Application submitted by Praise Chapel in the City of Huntington Park; and
2. Authorize the Community Development Department to process the application and conduct the final inspections of the stands.

PUBLIC WORKS

8. CONSIDERATION AND APPROVAL TO AWARD A CONSTRUCTION CONTRACT FOR CIP 2022-09 CDBG CHESLEY "CIRCLE" PARK PROJECT

RECOMMENDED THAT CITY COUNCIL:

1. Award the contract to Green Giant Landscape, Inc. for the construction of CIP 2022-09 CDBG Chesley "Circle" Park Project as responsive, responsible bidder for a not to exceed amount of \$778,799.89 payable from CDBG funds; and
2. Approve a construction contingency in the amount of \$37,649.35 payable from CDBG funds; and
3. Authorize the City Manager to execute the construction contract agreement and any change orders in an amount to not exceed the contingency.

CITY CLERK

9. COUNCIL APPOINTMENTS TO VARIOUS COMMISSIONS

RECOMMENDED THAT CITY COUNCIL:

1. Make appointments to Commissions consistent with provisions set forth in Resolution No. 2015-19.

END OF REGULAR AGENDA

DEPARTMENTAL REPORTS

WRITTEN COMMUNICATIONS

COUNCIL COMMUNICATIONS

Council Member Esmeralda Castillo

Council Member Jonathan Sanabria

Council Member Eduardo “Eddie” Martinez

Vice Mayor Arturo Flores

Mayor Karina Macias

ADJOURNMENT

The City of Huntington Park City Council will adjourn the meeting to a Regular Meeting on Tuesday, July 2, 2024 at 6:00 P.M.

I, Eduardo Sarmiento, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at City of Huntington Park City Hall and made available at www.hpca.gov not less than 72 hours prior to the meeting. Dated this 14th day of June 2024.



Eduardo Sarmiento, City Clerk

ITEM 1

MINUTES

Meeting of the
City of Huntington Park City Council
Tuesday, May 7, 2024

The regular meeting of the City Council of the City of Huntington Park, California was called to order at 6:02 p.m. on Tuesday, May 7, 2024, in the Council Chambers at City Hall, 6550 Miles Avenue, Huntington Park, California; Mayor Marilyn Sanabria presiding.

PRESENT: Council Member(s): Esmeralda Castillo, Jonathan Sanabria, Eduardo "Eddie" Martinez, Mayor Karina Macias

ABSENT: Vice Mayor Flores

CITY OFFICIALS/STAFF: City Manager Ricardo Reyes; Eduardo Sarmiento, City Clerk; Cosme Lozano Police Chief; Steve Foster Director of Community Development; Sergio Infanzon Director of Communications; Cynthia Norzagaray Director of Parks and Recreation; Araceli Almazan City Attorney.

INVOCATION

Mayor Macias led the invocation.

PLEDGE OF ALLEGIANCE

Council member Castillo led the Pledge of Allegiance.

PRESENTATION(S)

1. RECOGNITION OF HUNTINGTON PARK HIGH SCHOOL DEBATE TEAM
2. PROCLAMTION FOR OLDER AMERICANS' MONTH
3. RECOGNITION OF LOCAL EDUCATOR(S) AND VOLUNTEERS

PUBLIC COMMENTS

None

STAFF RESPONSE

City Manager Ricardo Reyes provided information related to measure PP and what is to come from its passing.

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(1)
Los Angeles Superior Court Case NO. 20STCPO3947
Construction Industry Force Account Council v. City of Huntington Park
2. Angela Flores Romero v. HP 20STCV18416

Attorney Araceli Almazan stated that it is appropriate to recess to closed session. Mayor Sanabria recessed into closed session at 6:40 p.m.

Mayor Sanabria reconvened the Council meeting from Closed Session at 7:05 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Almazan reported that the record should reflect that with all five (5) members of the City Council present the two (2) items on the closed session agenda were discussed. Regarding item one (1), Council was briefed but no further action was taken. Regarding item two (2) on the closed session agenda, the City Council was briefed and direction was provided. This concluded the closed session report.

CONSENT CALENDAR

CITY CLERK

MOTION: Council member Martinez moved to approve the consent calendar, seconded by Mayor Macias. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

1. CITY COUNCIL MEETING MINUTES

Approve Minute(s) of the following City Council Meeting(s):

1. Regular City Council Meeting held April 18, 2024

FINANCE

2. CHECK REGISTER

RECOMMENDED THAT CITY COUNCIL:

1. Approve Accounts Payable and Payroll Warrant(s) dated May 7, 2024

CITY MANAGER

3. SECOND READING OF THE CITY OF HUNTINGTON PARK ORDINANCE AMENDING SECTIONS 2-1.102 AND 2-1.103 OF ARTICLE 1, CHAPTER 1 OF TITLE 2 OF THE HUNTINGTON PARK MUNICIPAL CODE INCREASING THE SALARY OF MEMBERS OF THE CITY COUNCIL PURSUANT TO AND CONSISTENT WITH SENATE BILL 329

MOTION: Council member Flores moved to Waive full reading and adopt Ordinance by title Ordinance amending Sections 2-1.102 and 2-1.103 of the Huntington Park Municipal Code to increase the salary of members of the City Council pursuant to Senate Bill 329, seconded by Council member Ortiz. Motion carried by unanimous consent.

Municipal Code to increase the salary of members of the City Council pursuant to Senate Bill 329, seconded by Council member Ortiz. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

END OF CONSENT CALENDAR

REGULAR AGENDA

COMMUNITY DEVELOPMENT

4. **CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE OWNER-OCCUPIED REHABILITATION PROGRAM FUNDED WITH THE CALHOME GRANT IN THE NOT-TO-EXCEED AMOUNT OF \$87,365.00.**

MOTION: Council member Martinez moved to authorize the City Manager to approve payment, seconded by Council member Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

5. **CONSIDERATION AND APPROVAL TO THE FOURTH AMENDMENT WITH PACIFICA SERVICES, INC. TO PROVIDE LABOR COMPLIANCE SERVICES FOR A COMMUNITY DEVELOPMENT BLOCK GRANT FUNDED PROJECT IN FISCAL YEAR 2023-2024**

MOTION: Council member Martinez moved to execute Pacifica Services, Inc.'s Fourth Amendment (Attachment 1) for labor compliance services associated with a Community Development Block Grant (CDBG) funded project in Fiscal Year 2023-2024 for a not-to-exceed amount of \$14,935.00 from Account Number FY 239-5030-463-32.40 (Unallocated CDBG Administrative 2023); and authorize the City Manager to execute the Fourth Amendment, seconded by Council member Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

FINANCE

6. FISCAL YEAR 2024 BUDGET STATUS REPORT AS OF MARCH 31, 2024

MOTION: Council member Martinez moved to receive and file the FY 2024 Q3 Budget Status report as of March 31, 2024; and adopt a resolution approving appropriations and inter-departmental budget transfers; and authorize the Director of Finance in conjunction with the City Manager to align the department budgets with department expenditures through budget transfers, seconded by Council member Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

7. CONSIDERATION AND APPROVAL OF PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF HUNTINGTON PARK AND ROBERT HALF RECRUITERS & EMPLOYMENT AGENCY

MOTION: Council member Martinez moved to approve the Resolution authorizing an agreement with Robert Half Recruiters & Employment Agency to provide additional staff; and authorize the City Manager to execute the professional service agreement, seconded by Council member Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

8. CONSIDERATION AND APPROVAL TO CHANGE FUNDING SOURCE FROM THE WATER FUND TO AMERICAN RESCUE PLAN ACT (ARPA) FOR CIP 2021-04 WELL NO. 16 AND PUMP STATION IMPROVEMENTS PROJECT

MOTION: Council member Martinez moved to approve the change of funding source for CIP 2021-04 Well No. 16 from the Water Fund, Fund No. 681, to the American Rescue Plan Act (ARPA) Fund, Fund No. 113; and authorize the City Manager and the Finance Director to execute the change in funding source, seconded by Council member Sanabria. Motion carried by unanimous consent.

AYES: Council Member(s): Castillo, Sanabria, Martinez, Mayor Macias and Mayor Sanabria

NOES: None

ABSENT: Vice Mayor Flores

CITY CLERK

9. CITY COUNCIL COMMITTEE REORGANIZATION

MOTION: Council member Sanabria motioned to appoint Council Member Martinez as the delegate to the California Contract Cities Association, seconded by Council Member Castillo. Council Member Sanabria motioned to appoint Vice Mayor Flores as delegate to the Gateway Cities Council of Governments and Mayor Macias motioned to appoint Council Member Sanabria as the alternate the Gateway Cities Council of Governments. Council Member Sanabria moved to appoint Steve Forster as the delegate and Marla Flores as the alternate to the Gateway Water Management Authority, seconded by Council Member Castillo. Council Member Sanabria moved to appoint Mayor Macias as the delegate to the HUB Cities Consortium, seconded by Council Member Martinez. Mayor Macias moved to appoint Council Member Castillo as the alternate to the HUB Cities Consortium, seconded by Council Member Sanabria. Council Member Martinez moved to appoint Council Member Castillo as the delegate to the Independent Cities Finance Authority, seconded by Council Member Sanabria. Council Member Sanabria moved to appoint Council Member Martinez as the alternate to the Independent Cities Finance Authority, seconded by Mayor Macias. Council Member Martinez moved to appoint Vice Mayor Flores as the alternate to the Los Angeles County City Selection Committee, seconded by Council Member Sanabria. Mayor Macias moved to appoint Vice Mayor Flores as the alternate to the Los Angeles County Sanitation District No. 1 seconded by Council member Sanabria. Mayor Macias moved to appoint Council Member Sanabria as the alternate and Council Member Martinez as the alternate to the Southern California Association of Governments, seconded by Council Member Sanabria.

10. COUNCIL APPOINTMENTS TO VARIOUS COMMISSIONS

Council Member Castillo appointed Ms. Betty Gonzales to the Parks and Recreation Commission. She then appointed Mathew Ortega to the Youth Commission followed by the appointment of Ebony Batiste to the Health and Education Commission and lastly, she appointed Eduardo Carvajal to the Civil Service Commission.

Council Member Martinez appointed Ramona Perez to the Civil Service Commission.

Council Member Sanabria appointed John Estrada to the Planning Commission and Iris Delgado to the Health and Education Commission.

END OF REGULAR AGENDA

DEPARTMENTAL REPORTS

Director of Parks and Recreation Cynthia Norzagaray provided information on upcoming events. She encouraged everyone who is interested in the events to sign up and join in on the fun.

Community Development Director Steve Forster announced that Paul Bollier was promoted to Planning Manager. He closed by congratulating all the newly elected council members.

Communications Department Director Sergion Infanzon provided information on upcoming city events and encouraged all residents to visit the city website for additional information.

WRITTEN COMMUNICATIONS

None

COUNCIL COMMUNICATIONS

Council member Castillo thanked staff for their hard work and shared her enthusiasm in getting to work with all staff moving forward.

Council member Sanabria thanked staff for their hard work.

Council member Matinez thanked staff for providing a safe space to meet. Thanked everyone who participated in the Earth Day Community clean up event and the Art Walk. He then pointed out some issues with communication for those residents who have been inquiring about the spay and neuter program. He directed staff to please look into this.

Mayor Macias thanked staff for the hard work they do every day. She gave special thanks to director of communications Sergio Infanzon for his great work with the Art Walk event. She also thanked all the volunteers for their participation. She closed by wishing all mothers and parents who fulfil both rolls a happy mother's day.

ADJOURNMENT

MOTION: Council member Flores moved to adjourn the meeting to a Regular meeting on Tuesday May 21, 2024. The meeting adjourned at 9:40pm.

Respectfully submitted


Eduardo Sarmiento, City Clerk

ITEM 2

City of Huntington Park
June 18, 2024 | Demand Register

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
AARDVARK	PIN17895	111-7010-421-61-20	BARRICADED SUSPECT MODULE	850.07
	PIN17896	111-7010-421-61-20	BARRICADED SUSPECT MODULE	850.07
AARDVARK Total				1,700.14
ADLERHORST INTERNATIONAL LLC	121432	111-7010-421-61-20	K-9 ACTIVITY SUPPLIES	129.30
ADLERHORST INTERNATIONAL LLC Total				129.30
ADVANCE AUTO PARTS PROFESSIONAL	879941165900	741-8060-431-43-20	FLEETS' WHEEL WEIGHTS	262.82
	8799411065885	741-8060-431-43-20	FLEETS' VALVE CORES	33.08
ADVANCE AUTO PARTS PROFESSIONAL Total				295.90
AIRESPRING INC.	185092011	111-9050-462-74-10	INTERNET SVCS CYBER PROJ	1,110.22
AIRESPRING INC. Total				1,110.22
ALLAN HANCOCK COLLEGE	DAI03152024	111-7010-421-59-10	DRIVER AWARENESS COURSE	2,061.00
ALLAN HANCOCK COLLEGE Total				2,061.00
ALVAREZ-GLASMAN & COLVIN	2023-101112-210	111-9031-413-52-30	LEGAL SERVICES	980.90
	2023-1011-21061	111-9031-413-52-30	LEGAL SERVICES	854.30
	2023-1012-21062	111-9031-413-52-30	LEGAL SERVICES	258.90
	2023-12-21064	111-9031-413-52-30	LEGAL SERVICES	1,051.95
	2024-03-21100	111-0220-411-32-70	LEGAL SERVICES MAR 2024	18,323.99
	2024-03-21101	111-0220-411-32-70	LEGAL SERVICES MAR 2024	94.00
	2024-03-21102	111-0220-411-32-70	LEGAL SERVICES MAR 2024	191.82
	2024-03-21103	111-0220-411-32-70	LEGAL SERVICES MAR 2024	646.00
	OPP217889-01-01	111-9031-413-52-30	LEGAL SERVICES	78.13
	OPP217889-02-01	111-9031-413-52-30	LEGAL SERVICES	56.67
	OPP217889-03-01	111-9031-413-52-30	LEGAL SERVICES	55.13
	OPP217889-04-01	111-9031-413-52-30	LEGAL SERVICES	55.13
	OPP217889-06-01	111-9031-413-52-30	LEGAL SERVICES	16.81
	OPP217889-07-01	111-9031-413-52-30	LEGAL SERVICES	16.81
ALVAREZ-GLASMAN & COLVIN Total				22,680.54
ARTURO FLORES	7/27/2023	111-0110-411-58-26	MILEAGE	81.07

City of Huntington Park
June 18, 2024 | Demand Register

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
ARTURO FLORES	7/30/2023	111-0110-411-58-26	MILEAGE	81.07
	2/2/2024	111-0110-411-58-26	MILEAGE	69.68
	2/4/2024	111-0110-411-58-26	MILEAGE	69.68
	5/16/2024	111-0110-411-58-26	MILEAGE	85.76
	5/19/2024	111-0110-411-58-26	MILEAGE	85.76
			TAXI/UBER	36.98
	5/21/2024	111-0110-411-58-26	TAXI/LYFT	21.96
ARTURO FLORES Total				531.96
AT&T	21805977	111-7040-421-56-41	PD PHONE SERVICES	375.74
	287304738513X05	111-7040-421-56-41	PD WIRELESS PHONES	6,596.30
	337-841-4288333	111-9010-419-53-10	FINAL PAYMENT	874.16
AT&T Total				7,846.20
AUTO ZONE	4075001450	111-7010-421-43-20	PD UN#983 BRAKE REPAIR	553.28
	4075017672	111-7010-421-43-20	PD UN#976 BRAKE REPAIR	167.56
	4075017746	741-8060-431-43-20	FLEET VEH. BRAKE REPAIR	550.63
	4075995616	111-7010-421-43-20	PD UN#992 BRAKE REPAIR	198.45
	4075995814	741-8060-431-43-20	FLEET VEH. BRAKE REPAIR	198.45
	4075997861	741-8060-431-43-20	CREDIT FOR INV#4075995814	(198.45)
AUTO ZONE Total				1,469.92
AY NURSERY INC.	126028	535-8090-452-61-20	PURCHASED 5 TREES	951.56
AY NURSERY INC. Total				951.56
AZTECA SIGNS	7300	221-8012-429-61-20	ALUMINUM DECALS	210.24
	7330	221-8012-429-61-20	ALUMINUM DECALS	131.40
AZTECA SIGNS Total				341.64
BRINK'S INCORPORATED	6623909	111-9010-419-33-10	BANK SERV TRANSPORTATION	310.69
BRINK'S INCORPORATED Total				310.69
BRIZUELA'S IRON WORK	181	111-8023-451-43-10	REPAIR BASEBALL FIELD	1,950.00
	182	111-8023-451-43-10	REPAIR TENNIS COURT	1,900.00

City of Huntington Park
June 18, 2024 | Demand Register

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
BRIZUELA'S IRON WORK Total				3,850.00
CALIFORNIA DEPARTMENT OF TAX AND	L0025478450	741-8060-431-42-05	TANK MAINTENANCE	180.72
	L0026409632	741-8060-431-42-05	TANK MAINTENANCE	180.72
CALIFORNIA DEPARTMENT OF TAX AND Total				361.44
CALIFORNIA STREET LIGHTING	1141	221-8014-429-61-20	TRAFFIC SIGNAL REPAIR	3,500.00
CALIFORNIA STREET LIGHTING Total				3,500.00
CARLOS GASTELUM	18513-5368	681-0000-228-70-00	WATER DEPOSIT REFUND	8.46
CARLOS GASTELUM Total				8.46
CENTRAL FORD	44262	111-7010-421-43-20	PD FORD EXPLORES PARTS	442.54
CENTRAL FORD Total				442.54
CENTRAL SQUARE TECHNOLOGIES LLC	412530	111-9010-419-43-15	MAINTENANCE	14,885.88
CENTRAL SQUARE TECHNOLOGIES LLC Total				14,885.88
CHAMPION CJD	556218	111-7010-421-43-20	PD UN#955 MAINTENANCE	1,060.00
	558044	111-7010-421-43-20	PD UN#957 MAINTENANCE	530.00
CHAMPION CJD Total				1,590.00
CINTAS CORPORATION NO 3	4192422270	741-8060-431-43-20	UNIFORM DRY CLEANING	163.77
		741-8060-431-56-41	UNIFORM DRY CLEANING	335.85
	4193142047	741-8060-431-43-20	UNIFORM DRY CLEANING	499.62
	4193901863	741-8060-431-43-20	PW UNIFORM DRY CLEANING	499.62
CINTAS CORPORATION NO 3 Total				1,498.86
CLINICAL LAB OF SAN BERNARDINO, INC	2400761	681-8030-461-56-41	WATER QUALITY TESTING	3,782.00
CLINICAL LAB OF SAN BERNARDINO, INC Total				3,782.00
COMMERCIAL TIRE COMPANY	1-182960	741-8060-431-43-20	PW UNIT#411 TIRE REPAIR	191.63
COMMERCIAL TIRE COMPANY Total				191.63

City of Huntington Park
June 18, 2024 | Demand Register

PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
CONCENTRA HEALTH SERVICES, INC.	17075638	111-2030-413-56-41	BREATH ALCOHOL TEST	110.00
CONCENTRA HEALTH SERVICES, INC. Total				110.00
CONCENTRA MEDICAL CENTERS	17075638	111-2030-413-56-41	PHYSICAL EXAMS	485.00
CONCENTRA MEDICAL CENTERS Total				485.00
COUNTY OF L.A. DEPT OF PUBLIC WORKS	REPW24050607008	221-8014-429-56-41	SHARED TRAFFIC MAINTENANCE	419.35
COUNTY OF L.A. DEPT OF PUBLIC WORKS Total				419.35
CRAFTWATER ENGINEERING INC	22-058-3	787-8918-499-73-14	ENVIRONMENT PROJECT PREP.	83,647.81
CRAFTWATER ENGINEERING INC Total				83,647.81
DANA SAFETY SUPPLY	911880	111-7010-421-73-10	VEHICLE MAINTENANCE	206.13
DANA SAFETY SUPPLY Total				206.13
DATA TICKET INC.	164977	111-5055-419-56-41	CITATION PROCESSING APR24	648.20
DATA TICKET INC. Total				648.20
DATAPROSE, INC.	DP2402458	681-3022-415-53-20	WATER BILL POSTAGE	2,680.10
		681-3022-415-56-41	WATER BILL POSTAGE	1,367.54
DATAPROSE, INC. Total				4,047.64
DBA LETNER ROOFING CO	66268	787-9050-499-73-10	ROOF REPAIRS	220,641.00
DBA LETNER ROOFING CO Total				220,641.00
DELTA DENTAL	BE006087049	111-0000-217-50-20	DPO BENEFITS JUN 2024	7,019.40
DELTA DENTAL Total				7,019.40
DELTA DENTAL INSURANCE COMPANY	BE006084683	111-0000-217-50-20	DELTA CARE JUN 24	1,979.55
DELTA DENTAL INSURANCE COMPANY Total				1,979.55
DEPARTMENT OF ANIMAL CARE & CONTROL	3	111-7010-421-56-41	ANIMAL CARE & CONTROL APR	25,166.79
DEPARTMENT OF ANIMAL CARE & CONTROL Total				25,166.79

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
DUNN EDWARDS CORPORATION	2009A28934	111-8095-431-61-50	PAINT FOR GRAFFITI	687.22
DUNN EDWARDS CORPORATION Total				687.22
E.J. WARD, INC.	0086756-IN	741-8060-431-43-20	CITY VEH. KIT FUEL TAGS	1,562.26
E.J. WARD, INC. Total				1,562.26
EADIE AND PAYNE, LLP	145053	111-3010-415-32-40	FIN STATEMENTS AUDIT 2022	4,902.00
			SINGLE AUDIT FY 2023	10,450.00
EADIE AND PAYNE, LLP Total				15,352.00
EMMANUEL SOBERANIS	5242024	111-7010-421-59-10	EMPLOYEE REIMBURSEMENT	389.68
EMMANUEL SOBERANIS Total				389.68
ERNESTO FLORES	16863-20866	681-0000-228-70-00	WATER DEPOSIT REFUND	104.61
ERNESTO FLORES Total				104.61
ESTELA RAMIREZ	5/23/2024	111-6060-466-33-20	AEROBIC CLASSES	448.00
ESTELA RAMIREZ Total				448.00
ETE FITNESS EQUIPMENT	5268	123-7010-421-74-10	FITNESS EQUIPMENT	8,433.90
ETE FITNESS EQUIPMENT Total				8,433.90
EWING IRRIGATION PRODUCTS, INC.	22243817	535-8090-452-61-20	SALT LAKE PARK MAINTENANCE	1,391.37
EWING IRRIGATION PRODUCTS, INC. Total				1,391.37
FAIR HOUSING FOUNDATION	50824	239-5210-463-57-87	FAIR HOUSING SERVICES	1,735.74
FAIR HOUSING FOUNDATION Total				1,735.74
FAIRBANK MASLIN MAULIN METZ ASSOC	241771	111-1010-411-31-10	HP STREET ISSUES SURVEY	15,000.00
FAIRBANK MASLIN MAULIN METZ ASSOC Total				15,000.00
FERGUSON ENTERPRISES INC	4244298	111-8023-451-61-20	PVC PIPE FOR SPLASH PAD	473.84
	4315006	111-8023-451-56-41	PARK BUILDING REPAIR	693.45
	4337311	535-8090-452-61-20	PW SUPPLIES	61.61

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
FERGUSON ENTERPRISES INC	4338618	535-8090-452-61-20	PW SUPPLIES	241.54
FERGUSON ENTERPRISES INC Total				1,470.44
GEORGE CHEVROLET	167554CVW	111-7010-421-43-20	PW UN#354 PARTS	447.27
	167770CVW	111-7010-421-43-20	PD UN#886 PARTS	697.82
GEORGE CHEVROLET Total				1,145.09
GOVERNMENT STAFFING SERVICES, INC	130421	111-3010-415-56-41	FINANCE CONSULTANTS	6,970.00
	130422	111-3010-415-56-41	FINANCE CONSULTANTS	12,920.00
	130427	111-3010-415-56-41	FINANCE CONSULTANTS	5,100.00
	130428	111-3010-415-56-41	FINANCE CONSULTANTS	8,550.00
GOVERNMENT STAFFING SERVICES, INC Total				33,540.00
GUTIERREZ BACKGROUND INVESTIGATIONS	2024-07	111-7010-421-56-41	PARTIAL BACKGROUND	1,000.00
GUTIERREZ BACKGROUND INVESTIGATIONS Total				1,000.00
HASA, INC.	962263	681-8030-461-41-00	SODIUM HYPOCHLORITE WELL	426.00
	962264	681-8030-461-41-00	SODIUM HYPOCHLORITE WELL	600.34
	963564	681-8030-461-41-00	SODIUM HYPOCHLORITE WELL	366.36
	963565	681-8030-461-41-00	SODIUM HYPOCHLORITE WELL	445.97
HASA, INC. Total				1,838.67
HEALTH AND HUMAN RESOURCE CENTER	E0320100	111-0000-217-50-60	EMPLOYEE ASSISTANCE PROGRAM	213.84
HEALTH AND HUMAN RESOURCE CENTER Total				213.84
IBE DIGITAL	467416	111-9010-419-44-10	KONICA BLACK TONER	18.07
	467731	111-7010-421-61-20	KONICA BLACK TONER	18.07
IBE DIGITAL Total				36.14
ID WHOLESALER	INV7286607	111-6030-451-61-35	FACILITIES CARDS	277.80
ID WHOLESALER Total				277.80
IDEAL LIGHTING	125255	535-8016-431-61-45	LED LIGHTS	1,488.38
IDEAL LIGHTING Total				1,488.38

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
INFRASTRUCTURE ARCHITECTS INC	459	787-8936-499-56-41	EMER. OPERATION PROJECT	11,328.00
	470	787-8936-499-56-41	EMERGE. OPERATION PROJECT	7,842.00
	490	787-8936-499-56-41	ARCHITECTURAL SERVICES	11,850.00
	496	787-8936-499-56-41	ARCHITECTURAL SERVICES	5,925.00
	497	787-8936-499-56-41	ARCHITECTURAL SERVICES	7,725.00
	498	787-8936-499-56-41	ARCHITECTURAL SERVICES	4,680.00
	503	787-8936-499-56-41	ARCHITECTURAL SERVICES	4,635.00
	504	787-8936-499-56-41	ARCHITECTURAL SERVICES	5,925.00
INFRASTRUCTURE ARCHITECTS INC Total				59,910.00
INNER CITY VISIONS	1028	111-5210-463-56-41	OUTREACH PROGRAM MAR	12,941.26
	1029	111-5210-463-56-41	OUTREACH PROGRAM APR	10,421.69
INNER CITY VISIONS Total				23,362.95
J SQUARED	138	681-8030-461-56-41	PROFESSIONAL SERVICES	420.00
J SQUARED Total				420.00
JESUS INIGUEZ	3	111-0310-466-55-57	ART WORK FOOD SERVICE	1,526.00
JESUS INIGUEZ Total				1,526.00
JOEL GORDILLO	JG202405	111-1010-411-56-41	MEDIA TECHNICIAN SERVICES	1,650.00
JOEL GORDILLO Total				1,650.00
JOLLY BOUNCERS, INC	51188	111-6010-466-55-40	FOURTH OF JULY SUPPLIES	1,184.03
JOLLY BOUNCERS, INC Total				1,184.03
JORDAN MARTINEZ	2625	111-5010-419-59-15	REIMBURSEMENT	14.63
	3190621	111-5010-419-59-15	REIMBURSEMENT	85.44
	31049456	111-5010-419-59-15	REIMBURSEMENT	112.19
JORDAN MARTINEZ Total				212.26
JOSE JESUS GARCIA ESPARZA	1	111-0310-466-55-56	STATE OF THE CITY PERFORM	250.00
JOSE JESUS GARCIA ESPARZA Total				250.00

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
KAPLAN EARLY LEARNING COMPANY	6903873	111-6010-451-74-10	SENIOR EXERCISE PROGRAM	6,697.74
KAPLAN EARLY LEARNING COMPANY Total				6,697.74
KIMBALL MIDWEST	102247760	741-8060-431-43-20	FLEET DEPT SUPPLIES	84.07
	102267602	741-8060-431-43-20	DRILLS BITS & BRUSHES	490.17
KIMBALL MIDWEST Total				574.24
LA COUNTY SHERIFF'S DEPT	242912BL	111-7010-421-56-41	INMATE MEAL SERVICE	497.20
LA COUNTY SHERIFF'S DEPT Total				497.20
LACMTA	5152024	111-8085-431-58-50	TAP CARDS - APR 2024	318.77
LACMTA Total				318.77
LAN WAN ENTERPRISE, INC	75096	111-7010-421-73-10	ENCRYPT ALL WORKSTATIONS	9,300.00
	75192	111-9010-419-74-09	WINDOWS 11 PROFESSIONAL	199.99
	75193	111-9010-419-74-09	RUN WINDOWS ON MAC	112.43
LAN WAN ENTERPRISE, INC Total				9,612.42
LB JOHNSON HARDWARE CO.	132490	111-8010-431-61-20	STREET MAINTENANCE	38.84
LB JOHNSON HARDWARE CO. Total				38.84
LEMESSIS QUINTERO	9095	111-5010-419-59-15	REIMBURSEMENT	16.43
	9233	111-5010-419-59-15	REIMBURSEMENT	19.44
	14349	111-5010-419-59-15	REIMBURSEMENT	28.28
	584274	111-5010-419-59-15	REIMBURSEMENT	11.98
	31049456	111-5010-419-59-15	REIMBURSEMENT	25.28
	5/20/2024	111-5010-419-59-15	REIMBURSEMENT	16.43
LEMESSIS QUINTERO Total				117.84
LIEBERT CASSIDY WHITMORE	266688	111-0220-411-32-70	LEGAL SERVICES APR 2024	241.50
	267159	111-0220-411-32-70	LEGAL SERVICES APR 2024	1,055.00
LIEBERT CASSIDY WHITMORE Total				1,296.50

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
LOS ANGELES COUNTY POLICE CHIEF ASN	2024	111-7010-421-59-10	2024 ANNUAL DUES	500.00
LOS ANGELES COUNTY POLICE CHIEF ASN Total				500.00
LUXURY AUTO BODY	PW6056	741-8060-431-43-20	EV BUS WRAP	7,771.50
	PW6057	111-7010-421-43-20	PD UN#147 REPAIR	14,308.24
	PW6058	111-7010-421-43-20	PD UN\$147 REPAIR	14,611.98
	PW6060	741-8060-431-43-20	EV BUS WRAP	7,771.50
	PW6061	741-8060-431-43-20	PD UNIT REPAIRS	950.71
LUXURY AUTO BODY Total				45,413.93
MAGIC JUMP RENTALS, INC.	134824	111-6010-466-55-40	FOURTH OF JULY SUPPLIES	1,203.41
	134825	111-6010-466-55-40	FOURTH OF JULY SUPPLIES	1,312.91
MAGIC JUMP RENTALS, INC. Total				2,516.32
MARX BROS FIRE EXTINGUISHER CO INC.	P22730	741-8060-431-43-20	FIRE EXTINGUISHER REFILL	337.76
MARX BROS FIRE EXTINGUISHER CO INC. Total				337.76
MEGA OUTDOOR MOVIES	23639619	111-6010-466-55-56	PERFORMING ARTS RENTAL	1,600.00
	26837687	111-6010-466-55-56	PERFORMING ARTS RENTAL	1,600.00
MEGA OUTDOOR MOVIES Total				3,200.00
MICHAEL BAKER INTERNATIONAL INC.	1210290	242-5060-463-56-41	PROFESSIONAL SERVICES	3,340.00
	1210298	242-5060-463-56-41	PROFESSIONAL SERVICES	645.00
	1208107R	239-5030-465-56-41	PROFESSIONAL SERVICES	5,615.00
MICHAEL BAKER INTERNATIONAL INC. Total				9,600.00
MICHAEL BARGANI	19023-13310	681-0000-228-70-00	WATER DEPOSIT REFUND	300.00
MICHAEL BARGANI Total				300.00
MOTOROLA SOLUTIONS, INC	8281901279	111-7010-421-73-10	CABLES & WIRELESS EARPIECE	259.11
MOTOROLA SOLUTIONS, INC Total				259.11
MYERS AND SONS HI-WAY SAFETY, INC	156930	221-8012-429-61-20	STOP SIGNS	1,886.16
	157276	221-8012-429-61-20	TEMPORARY MARKING TAPE	1,736.44

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
MYERS AND SONS HI-WAY SAFETY, INC Total				3,622.60
NACHO'S LOCK & KEY SERVICE LLC	190770	111-5055-419-56-41	MEDECO LOCKS' SERVICE	300.00
	191400	111-8022-419-56-41	CITY HALL SERVICE CALL	265.00
NACHO'S LOCK & KEY SERVICE LLC Total				565.00
NAPA AUTO PARTS	4832-620988	741-8060-431-43-20	FLEET SHOP SUPPLIES	16.24
	4832-620989	741-8060-431-43-20	FLEET SHOP SUPPLIES	32.48
NAPA AUTO PARTS Total				48.72
NEW CHEF FASHION INC.	1078365	111-7010-421-61-20	POLO SHIRTS	209.43
	1078437	111-7010-421-61-20	POLO SHIRTS	243.62
NEW CHEF FASHION INC. Total				453.05
NICHOLS CONSULTING ENGINEERS, CHTD	966053006	787-8916-499-76-12	STREET ENHANCEMENT PROJECT	2,990.00
NICHOLS CONSULTING ENGINEERS, CHTD Total				2,990.00
NICK ALEXANDER RESTORATION	107	111-7010-421-43-20	PD UN#976 REPAIR	350.00
	108	111-7010-421-43-20	PD UN#986 REPAIR	350.00
NICK ALEXANDER RESTORATION Total				700.00
NORM REEVES FORD SUPERSTORE	114100	111-8085-431-43-21	SHUTTLE MAINTENANCE	150.00
	114624	741-8060-431-43-20	PW UNIT PART	186.10
	319624	111-7010-421-43-20	PD UN#986 PARTS	1,547.01
	319625	111-7010-421-43-20	PD UN#985 PARTS	1,547.01
	319696	111-7010-421-43-20	PD UN#978 PARTS	220.44
	319697	111-7010-421-43-20	PD UN#977 PARTS	220.44
NORM REEVES FORD SUPERSTORE Total				3,871.00
NORTH STAR LAND CARE	1601-744	535-8090-452-56-60	TREE MAINTENANCE SERVICES	1,512.00
	1601-770	535-8090-452-56-60	LANDSCAPE MAINTENANCE	37,617.75
NORTH STAR LAND CARE Total				39,129.75
O'REILLY AUTO PARTS	2959-480141	741-8060-431-43-20	FLEET PARTS	75.17

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
O'REILLY AUTO PARTS	2959-480331	741-8060-431-43-20	PW UNIT #535 PARTS	92.50
	2959-481072	741-8060-431-43-20	FLEET VEH MAINTENANCE	44.41
	2959-481081	741-8060-431-43-20	PW UNIT #102 PARTS	85.37
	2959-481515	111-7010-421-43-20	PD VEHICLES PARTS	392.27
	2959-481518	741-8060-431-43-20	FLEET VEH PARTS	375.97
	2959-481571	741-8060-431-43-20	FLEET VEH MAINTENANCE	640.03
	2959-487245	741-8060-431-43-20	PD UN# 957 MAINTENANCE	129.59
	2959-487246	741-8060-431-43-20	PD UN# 957 MAINTENANCE	16.53
	2959-487903	111-7010-421-43-20	PD UN# 957 MAINTENANCE	286.36
	2959-487904	111-7010-421-43-20	PD UN# 957 PARTS	44.77
	2959-490502	741-8060-431-43-20	PARTS FOR PW FLEET	360.02
	2959-491479	741-8060-431-43-20	PW UNIT REPAIR	643.90
O'REILLY AUTO PARTS Total				3,186.89
PACIFICA SERVICES INC.	346-26	239-5030-463-32-40	ST LIGHT MODIFICATION-FEB	780.00
	346-28	239-5030-463-32-40	ST LIGHT MODIFICATION-MAR	910.00
	346-29	239-5030-463-32-40	ST LIGHT MODIFICATION-APR	260.00
PACIFICA SERVICES INC. Total				1,950.00
PARKINK	29792	111-6010-466-55-56	PERFORMING ARTS SUPPLIES	413.83
	29793	111-6010-466-55-56	PREFORMING ARTS SUPPLIES	549.17
	29794	111-6010-466-55-56	PREFORMING ARTS SUPPLIES	271.04
PARKINK Total				1,234.04
PLS PRODUCTIONS	43	111-6010-466-55-56	PERFORMING ARTS AT PARKS	8,000.00
PLS PRODUCTIONS Total				8,000.00
REGIONAL TRAINING CENTER	7122024	111-7010-421-59-10	PD EMPLOYEE TRAINING	622.00
REGIONAL TRAINING CENTER Total				622.00
RENE BURGUAN	550	111-6010-466-55-40	4TH OF JULY PERFORMER	2,500.00
RENE BURGUAN Total				2,500.00
REXEL COMMERCIAL & INDUSTRIAL	S139514205.003	111-8022-419-43-10	CITY HALL LAMPS	57.55

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
REXEL COMMERCIAL & INDUSTRIAL Total				57.55
ROBERT HALF INC	63585822	111-3010-415-56-41	LABOR INVOICE	1,760.00
	63617317	111-3010-415-56-41	LABOR INVOICE	4,800.00
	63623172	111-3010-415-56-41	LABOR INVOICE	1,760.00
	63661200	111-3010-415-56-41	LABOR INVOICE	1,320.00
	63674119	111-3010-415-56-41	LABOR INVOICE	3,600.00
	63689326	111-3010-415-56-41	LABOR INVOICE	1,760.00
	63690506	111-3010-415-56-41	LABOR INVOICE	4,800.00
ROBERT HALF INC Total				19,800.00
ROBERT KIM	24779-11630	681-0000-228-70-00	WATER DEPOSIT REFUND	899.63
ROBERT KIM Total				899.63
ROSARIO SIFUENTES	HPAC07044	111-0000-351-10-10	CE CITATION REFUND	1,200.00
ROSARIO SIFUENTES Total				1,200.00
S & S WORLDWIDE, INC.	IN101393437	111-6010-451-74-10	AFTER SCHOOL SUPPLIES	2,639.96
S & S WORLDWIDE, INC. Total				2,639.96
S AND Y SUPPLY	05012024-02	111-6010-466-55-56	PERFORMING ART AT PARKS	4,860.00
S AND Y SUPPLY Total				4,860.00
SAUL RODRIGUEZ	5242024	111-7010-421-59-10	EMPLOYEE REIMBURSEMENT	389.68
SAUL RODRIGUEZ Total				389.68
SIERRA DISPLAY, INC	27663	111-6010-451-74-10	HOLIDAY LIGHTS	39.97
SIERRA DISPLAY, INC Total				39.97
SINATRA UNIFORM, INC	SU12265	111-7010-421-61-20	ACADEMY UNIFORM	424.82
SINATRA UNIFORM, INC Total				424.82
SMART & FINAL	3192200001603	111-7010-421-61-20	TOURCH RUN EVENT	81.95
	3192200006401	111-7010-421-61-20	MEET YOUR POLICE EVENT	22.86

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
SMART & FINAL Total				104.81
SNAP-ON INCORPORATED	ARV/61351852	221-8014-429-61-20	SOFTWARE FOR FLEET DEPT	1,413.83
SNAP-ON INCORPORATED Total				1,413.83
STANDARD INSURANCE COMPANY	3789170002	111-0000-217-50-70	MONTHLY PREMIUM JUN 24	1,288.18
	378917-0001	111-0000-217-50-70	STANDARD LIFE INS. JUN 24	7,657.31
STANDARD INSURANCE COMPANY Total				8,945.49
STAPLES ADVANTAGE	6001857190	111-5010-419-61-20	OFFICE SUPPLIES	177.09
	7000511009	111-0110-411-66-05	OFFICE SUPPLIES	172.73
		111-0210-413-61-20	OFFICE SUPPLIES	125.76
		111-0310-413-61-20	OFFICE SUPPLIES	720.53
		111-2030-413-61-20	OFFICE SUPPLIES	451.76
		111-3010-415-61-20	OFFICE SUPPLIES	409.83
		111-7010-421-61-20	OFFICE SUPPLIES	901.17
STAPLES ADVANTAGE Total				2,958.87
STERICYCLE INC	DB0604	111-7010-421-61-20	WASTE DISPOSAL SERVICES	162.00
STERICYCLE INC Total				162.00
STEVE FORSTER	1446	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	18.27
	3433	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	30.53
	29805	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	122.79
	1024473	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	13.98
	3755150	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	20.00
	3755219	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	20.00
	98753944	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	27.60
	98776719	111-5010-419-59-15	CONFERENCE REIMBURSEMENT	16.07
	ORD432110G6F8P8	111-5010-419-59-15	ICSC REGISTRATION 2024	1,050.00
STEVE FORSTER Total				1,319.24
SUPERIOR COURT OF CALIFORNIA	4/24/2024	111-7010-415-56-10	PARKING CITATION SURCHARGE	29,282.95
SUPERIOR COURT OF CALIFORNIA Total				29,282.95

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
TERRY TOMAS	24477-6884	681-0000-228-70-00	WATER DEPOSIT REFUND	200.00
TERRY TOMAS Total				200.00
THE FLAG SHOP	21166	111-8022-419-43-10	CA, USA & HP CITY FLAGS	1,400.16
THE FLAG SHOP Total				1,400.16
THE HITT COMPANIES, INC	OE-129597	111-6010-451-56-41	ENGRAVING SERVICES	207.74
THE HITT COMPANIES, INC Total				207.74
T-MOBILE USA	973138449MAY24	111-9010-419-53-10	EMPLOYEES CELL PHONE	3,960.08
	975956065MAY24	111-9010-419-53-10	EMPLOYEES CELL PHONE	459.47
	975956264MAY224	111-9010-419-53-10	EMPLOYEES CELL PHONE	2,550.50
T-MOBILE USA Total				6,970.05
TOWN HALL STREAMS	15705	111-1010-411-56-41	FACEBOOK LIVE	300.00
TOWN HALL STREAMS Total				300.00
TRIANGLE SPORTS	42683	111-6030-451-61-35	YOUTH SPORTS SUPPLIES	864.23
	42720	111-6030-451-61-35	YOUTH SPORTS SUPPLIES	1,042.44
TRIANGLE SPORTS Total				1,906.67
ULINE	178752452	741-8060-431-43-20	LED LIGHTS FOR UNITS	576.91
ULINE Total				576.91
UNDERGROUND SERVICE ALERT OF SO CAL	520240134	221-8014-429-56-41	MONTHLY FEE MAY 24	360.00
	23-2425719	221-8014-429-56-41	MONTHLY BILLING MAY 24	111.04
UNDERGROUND SERVICE ALERT OF SO CAL Total				471.04
UPWARD SOLUTIONS	24-0507	111-5010-419-56-41	ADVOCACY & LABOR RELATION	5,000.00
UPWARD SOLUTIONS Total				5,000.00
VELADA CONSULTING LLC	63	111-0310-413-56-41	CONSULTING SERVICES	7,500.00
VELADA CONSULTING LLC Total				7,500.00

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PAYEE	INVOICE NUMBER	ACCOUNT NUMBER	DESCRIPTION	AMOUNTS
VORTEX USA INC	58800	535-8090-452-61-20	FREEDOM PARK REPAIR	1,390.00
VORTEX USA INC Total				1,390.00
WALTERS WHOLESALE ELECTRIC COMPANY	S125372049.001	111-8022-419-43-10	LIGHTS FOR CITY HALL	372.27
	S125462746.003	221-8014-429-61-20	TRAFFIC SIGNAL SUPPLIES	508.66
	S125465180.001	111-8023-451-43-10	LIGHTS PANEL	1,572.78
	S125499151.002	535-8016-431-61-45	TRAFFIC SIGNAL SUPPLIES	275.64
	S125671285.001	111-8024-421-43-10	SUPPLIES FOR PD BUILDING	174.75
WALTERS WHOLESALE ELECTRIC COMPANY Total				2,904.10
WATER REPLENISHMENT DISTRICT OF	2312-T22-016	681-8030-461-41-00	GROUNDWATER MONITORING	5,366.20
WATER REPLENISHMENT DISTRICT OF Total				5,366.20
WATERLINE TECHNOLOGIES	5685195	111-8023-451-61-20	SPLASHPAD SUPPLIES	430.01
WATERLINE TECHNOLOGIES Total				430.01
WEST GOVERNMENT SERVICES	850270654	111-7040-421-56-41	SOFTWARE SUBSC. CHARGE	1,802.64
WEST GOVERNMENT SERVICES Total				1,802.64
YANELI CUEVAS	5232024	111-7010-421-59-10	EMPLOYEE REIMBURSEMENT	80.94
YANELI CUEVAS Total				80.94
Grand Total				849,700.11



CITY OF HUNTINGTON PARK

Community Development Department
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$ 49,603.00.

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve funding.

BACKGROUND

On the regularly scheduled meeting of Tuesday, February 21, 2023, City Council approved Substantial Amendment Number 2 of the FY 2022-2023 Annual Action Plan (AAP) for the Community Development Block Grant (CDBG) funds and the HOME funds. The HOME funds were allocated to the Home Repair Program to provide low- and moderate-income residents, who own and occupy their homes, with financial assistance for repairs and improvements with up to \$25,000 in the form of a grant and up to \$75,000 in a zero percent (0%) interest deferred loans.

The resident at 7302 California Avenues has been approved and vetted by the City for the Home Repair Program. The project total amount is \$ 49,603, of which \$25,000 is in the form of a grant and \$ 24,603 is in the form of a zero percent (0%) interest deferred loan. The lead and asbestos walkthrough and testing have been completed by the City's environmental consultant. Additionally, the home inspector, Code Enforcement Department, and city program staff did a site walk for the repairs being requested for his home. The repairs include, but are not limited to:

- Repair damaged roof, ceiling, and flooring.
- Replace outlets and electric panel.
- Repair kitchen countertop and sink faucet.
- Concrete driveway and walkways replacement.
- Install bathroom exhaust fan.
- Dryer hookup and vent installation.

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$49,603.00.

June 18, 2024

Page 2 of 2

- Termite inspection and treatment
- Final cleanup

Throughout the process of this application, City staff has been working with the Code Enforcement Department and there is not an open Code Enforcement case at this residence.

FISCAL IMPACT

There will be no fiscal impact on the General Fund. This program will be funded through the Home Program via the Department of Housing and Urban Development (HUD). Funds will be paid from Account Number 242-5070-463.57-38.

CONCLUSION

Upon the Council's direction, staff will proceed with actions as directed.

Respectfully submitted,



RICARDO REYES
City Manager



STEVE FORSTER
Community Development Director

ATTACHMENT(S):

- A. Home Repair Program Grant Agreement
- B. Home Repair Program Promissory Note
- C. Home Repair Program Deed of Trust

ATTACHMENT "A"



CITY OF HUNTINGTON PARK HOME REPAIR PROGRAM HOMEOWNER GRANT AGREEMENT

Property Owner	<u>Wila Durham</u>
Subject Property	<u>7302 California Avenue, Huntington Park, CA 90255</u>
Grant Amount	<u>Twenty-Five Thousand Dollars (\$25,000)</u>

This **HOME REPAIR PROGRAM CONTRACTOR AGREEMENT** ("Agreement") is made this date of
May 28, 2024 by Wila Durham, ("Participant"),

The undersigned Participant hereby acknowledges receipt of a Home Repair Program from the City of Huntington Park to pay for certain cost associated with rehab activities. The Participant is the owner of certain real property commonly known as 7303 California Avenue, Huntington Park, CA 90255 in the City of Huntington Park, California.

The undersigned Participant agrees and acknowledges that the Grant funds will be used to compensate vendors, contractors, laborers and/or materials suppliers who are to provide such labor and/or materials relating to rehabilitation activities approved by the Grantor.

The undersigned Participant agrees and acknowledges that the cost of any work performed on Participant's residence that was not agreed upon and approved by the Grantor will be the sole obligation of the Participant and not the responsibility nor liability of the Grantor.

The undersigned Participant agrees and acknowledges that the Participant shall perform the rehabilitation activities in a timely manner.

The undersigned Participant agrees and acknowledge grant funds shall be disbursed to the awarded contractor on behalf of the Participant as payment becomes due. The Participant has the right to terminate this Home Repair Program Grant Agreement if the Participant fails to meet the requirements set forth in this Agreement and the Grantor may consider it a material breach. This right to terminate shall be in addition to, and not in lieu of, all other remedies available to the Grantor, at law or in equity, including, without limitation, the right to recoup funds granted under the term of this Grant Agreement.

This Home Repair Grant Agreement is governed and construed in accordance with the law of the State of California.

IN WITNESS WHEREOF, the Borrower(s) has executed this Grant Agreement as of the date and year first above written.

PROGRAM PARTICIPANT(S)

Signature(s):

Wila Durham

Property Owner(s):

Wila Durham

Date Signed:

May 28, 2024

ATTACHMENT "B"

EXHIBIT C

**PROMISSORY NOTE
Secured By Deed of Trust**

PROMISSORY NOTE SECURED BY DEED OF TRUST

DO NOT DESTROY THIS ORIGINAL NOTE: When paid or when Note reaches maturity, said Original Note, together with the Deed of Trust securing same, must be surrendered to Trustor for cancellation and retention before reconveyance will be made.

Date: <u>May 28, 2024</u>	Executed at: <u>Huntington Park, California</u>		
<u>7302 California Ave.</u>	<u>Huntington Park</u>	<u>California</u>	<u>90255</u>
<i>Property Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

1. BORROWER'S PROMISE TO PAY

Wila Durham ("Borrower") promises to pay to the CITY OF HUNTINGTON PARK ("City" or "Holder") \$24,603 ("Principal") or so much thereof as may be disbursed by the City under that certain Home Repair Loan Agreement executed by the City and the Borrower, in United States currency and all accrued interest thereon, on the date that may be accelerated under Section 3. Borrower understands that the City may transfer this Note. The City or anyone who takes this Note by transfer is hereinafter called the "Note Holder".

2. INTEREST

The annual interest rate is zero percent (0%).

3. PAYMENT; ACCELERATION

All loans are due upon sale of the property, transfer of title, refinance to cash-out/borrow, or when borrower no longer occupies the home as his/her principal residence.

All payments shall be made to the Holder at City of Huntington Park, Home Repair Program, 6550 Miles Ave Huntington Park, California 90255 or such other place as the Holder may designate in writing.

Notwithstanding the above, the Principal shall become due and immediately payable upon the occurrence of any one of the following "Events of Acceleration": (a) sale or transfer or further encumbrance of the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein whether voluntary or involuntary, except a sale or transfer or further encumbrance which under applicable law, would not, by itself, permit the City to exercise a due on sale or due on encumbrance clause; (b) the refinancing of any first lien senior to the Deed of Trust (and shown in Holder's title policy as a title exception) for a loan amount in excess of the then-current loan balance secured by the first lien, plus reasonable closing costs, or any refinancing of any refinanced lien; (c) Participant fails to occupy the Property as his/her principal place of residence; or (d) an Event of Default by Trustor occurs under the Home Repair Loan Agreement. In no event shall the City allow a refinancing of a first lien for a loan amount in excess of the current loan balance secured by the First Lien (except by the amount of reasonable closing costs as determined by the City), and in no event shall more than one such refinancing be permitted.

Upon the occurrence of an Event of Acceleration, the Holder may, at Holder's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys'

fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. The Holder shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such the Holder may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Holder in exercising any right hereunder, under the Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of the Holder's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

4. THIS NOTE SECURED BY A DEED OF TRUST

This Note is secured by that certain Deed of Trust with Assignment of Rents dated the same date as this Note executed by the Borrower, encumbering the property first described above.

5. BORROWER'S PAYMENTS BEFORE THEY ARE DUE

The Borrower has the right to make payments of principal at any time before they are due. A payment of this type is known as a "prepayment". When a prepayment is made, the Borrower will tell the Note Holder in a letter that the amount is a prepayment of the entire unpaid principal known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

The Borrower may make a full prepayment or a partial prepayment. The Holder will use all prepayments to reduce the amount of principal that owed under this Note. If a partial prepayment is made, there will be no delays in the due dates or changes in the amounts of any monthly payments unless the Holder agrees in writing to those delays or changes. A full prepayment may be made at any time. If the Borrower chooses to make a partial prepayment, the Holder may require the Borrower to make the prepayment on the same day that one of the monthly payments is due. The Holder may also require that the amount of the partial prepayment be equal to the amount of principal that would have been part of the next one or more monthly payments.

6. BORROWER'S WAIVERS

The Borrower waives its rights to require the Holder to do certain things under the law such as: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); or (c) to obtain an official certification of nonpayment (known as a "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the holder if the Borrower fails to perform under the terms and conditions of this Note, or who signs this Note to transfer it to someone else, also waives these rights such as guarantors, sureties and endorsers.

7. GIVING OF NOTICES

Any notice that must be given under this Note will be given by delivering it or by mailing it by certified mail or delivery by reputable overnight delivery service (such as Federal Express) addressed to the Borrower at the Property Address above. A notice will be delivered or mailed to the Borrower at a different address if the Borrower gives the Holder a notice of a different address. Any notice that must be given to the Holder under this Note will be given by mailing it by certified mail or delivery by reputable overnight delivery service (such as Federal Express) to the Holder at the

address stated in Section 3 above. A notice will be mailed or delivered to the Holder at a different address if the Borrower is given a notice of that different address.

8. JOINT AND SEVERAL OBLIGATION

This Note is the joint and several obligations of all makers, sureties, guarantors and endorsers of the Borrower, and shall be binding upon them and their heirs, successors and assigns.

9. ATTORNEYS' FEES AND COSTS

The Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

10. AMENDMENTS AND MODIFICATIONS

This Note may not be changed orally, but only by an amendment in writing signed by the Borrower and by the Holder.

11. HOLDER MAY ASSIGN

Holder may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

12. BORROWER ASSIGNMENT PROHIBITED

The Borrower shall not transfer its rights and obligations under this Note without the Holder's prior written consent, which consent is at the sole and absolute discretion of the Holder.

13. MISCELLANEOUS

Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. The Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Los Angeles or the United States District Court of the Central District of California, as the Holder hereof may deem appropriate, or, if required, the Municipal Court of the State of California for the County of Los Angeles, in connection with any legal action or proceeding arising out of or relating to this Note. The Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

IN WITNESS WHEREOF the Borrower has executed this Note as of the day and year set forth above.

NOTICE TO BORROWER: Do not sign this Note if it contains blank spaces. All spaces should be completed before you sign. Sign original only.

Wila Durham

Signature of Borrower

Wila Durham

Owner Name

May 28, 2024

Date Signed

Signature of Borrower

Owner Name

Date Signed

ATTACHMENT "C"

EXHIBIT D

DEED OF TRUST

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Steve Forster
City of Huntington Park
6550 Miles Ave
Huntington Park, CA 90255

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

BY THE DEED OF TRUST, made this 28th day of May, 2024, between Wila Durham, as Homeowner, herein called TRUSTOR,

Whose address is 7302 California Avenue, Huntington Park, CA 90255
(number and street) (city) (state) (zip)

and City of Huntington Park, herein called Trustee, and City of Huntington Park, herein called Beneficiary, Trustor grants, transfer, and assigns to trustee, in trust with power of sale, the land in Los Angeles County, California, described as: APN 621-400-1004

Lot 4 of Tract 11030 EX of ST. recorded in Map book No. 6214 Page 001 of the office of the County Recorder Los Angeles, State of California

and all improvements and fixtures thereon (collectively, the "Property").

Trustor also assigns to Beneficiary all rents, issues and profit of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto

For purpose of securing:

(1) Payment of the indebtedness evidenced by one promissory note in the principal sum of \$24,603 of even date herewith, payable to Beneficiary, and any extensions or renewals thereof; (2) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon, evidenced by additional notes (indicating they are so secured) or by endorsement on the original note, executed by Trustor or his successor; (3) performance of each agreement of Trustor incorporated by reference or contained herein.

On October 25, 1973, identical fictitious Deeds of Trust were recorded in the offices of the County Recorders of the Counties of the State of California, the first page thereof appearing in the book and at the page of the records of the respective County Recorder as follows.

County	Book	Page	County	Book	Page	County	Book	Page	County	Page	Book
Alameda	3540	89	Kings	1018	394	Placer	1528	440	Siskiyou	97	407
Alpine	18	753	Lake	743	552	Plumas	227	443	Solano	1860	581
Amador	250	243	Lassen	271	367	Riverside	1973	139405	Sonoma	2810	975
Butte	1870	678	Los Angeles	T8512	751	Sacramento	731025	59	Stanislaus	2587	332
Calaveras	368	92	Madera	1176	234	San Benito	386	94	Sutter	817	182
Colusa	409	347	Mann	2736	463	San Bernardino	8294	877	Tehama	630	522
Contra Costa	7077	178	Mariposa	143	717	San Francisco	B820	585	Trinity	161	393
Del Norte	174	526	Mendocino	942	242	San Joaquin	3813	6	Tulare	3137	567
El Dorado	1229	594	Merced	1940	361	San Luis Obispo	1750	491	Tuolumne	396	309
Fresno	6227	411	Modoc	225	668	San Mateo	6491	600	Ventura	4182	662
Glenn	565	290	Mono	160	215	Santa Barbara	2486	1244	Yolo	1081	335
Humboldt	1213	31	Monterey	877	243	Santa Clara	0623	713	Yuba	564	163
Imperial	1355	801	Napa	922	96	Santa Cruz	2358	744	File No		
Inyo	205	660	Nevada	665	303	Shasta	1195	293	San Diego	73-299568	
Kern	4809	2351	Orange	10961	398	Sierra	59	439			

The provisions contained in Section A, including paragraph 1 through 5, and the provisions contained in Section B, including paragraphs 1 through 9 of said fictitious Deeds of Trust are incorporated herein as fully as though set forth at length and in full herein. The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at the address here in above set forth, being the address designated for the purpose of receiving such notice.

Signature: Wila Durham
Wila Durham, Trustee

A. TO PROTECT THE SECURITY THEREOF, TRUSTOR AGREES:

- (1) To keep said Property in good condition and repair, preserve thereon the buildings, complete construction begun, restore damage or destruction, and pay the cost thereof; to commit or permit no waste, no violation of laws or covenants or conditions relating to use, alterations or improvements; to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts which the character and use of said property and the estate or interest in said property secured by this Deed of Trust may require to preserve this security.
- (2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence to title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
- (4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may, make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- (5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at seven percent per annum, and to pay for any statement provided for any law regarding the obligations secured hereby in the amount demanded by Beneficiary, not exceeding the maximum amount permitted by law at the time of the request thereof.

B. IT IS MUTUALLY AGREED THAT:

- (1) Any award of damages in connection with any condemnation for public use of or injury of said property of any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as provided for disposition of proceeds of fire or other insurance.
- (2) By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.
- (3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey and part of said property; consent to the making of any map thereof; join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.
- (4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).
- (5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured,

enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice

(6) Upon the occurrence of an "Event of Acceleration" (as hereinafter defined), Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. As used herein, the term "Event of Acceleration" means (i) sale or transfer or further encumbrance of the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale or transfer or further encumbrance, which under applicable law, would not by itself permit the City to exercise a due on sale or due on encumbrance clause, as applicable; (ii) the refinancing of any first lien senior to this deed of trust (and shown in Beneficiary's title policy as a title exception) for a loan amount in excess of the current loan balance secured by a first lien plus reasonable closing costs, or any refinancing of a refinanced first lien; (iii) Trustor fails to occupy the property as his/her principal place of residence; or (iv) an Event of Default by Trustor occurs under that certain Home Repair Loan Agreement between Trustor and Beneficiary.

Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any mailers or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of Title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representative and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the note secured hereby. In this Deed whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(8) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(9) The Trusts created hereby are irrevocable by Trustor

(10) Beneficiary may substitute a successor Trustee from time to time by recording in the Office of the Recorder of Records of the County where the property is located an instrument stating the election of the Beneficiary to make such substitution, which instrument shall identify the Deed of Trust by recording reference, and by the name of the original Trustor, Trustee and Beneficiary, and shall set forth the name and address of the new Trustee, and which instrument shall be signed by the Beneficiary and duly acknowledged.

ITEM 4



CITY OF HUNTINGTON PARK

Community Development Department

City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$60,375.00.

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Authorize the City Manager to approve funding.

BACKGROUND

On the regularly scheduled meeting of Tuesday, February 21, 2023, City Council approved Substantial Amendment Number 2 of the FY 2022-2023 Annual Action Plan (AAP) for the Community Development Block Grant (CDBG) funds and the HOME funds. The HOME funds were allocated to the Home Repair Program to provide low- and moderate-income residents, who own and occupy their homes, with financial assistance for repairs and improvements with up to \$25,000 in the form of a grant and up to \$75,000 in a zero percent (0%) interest deferred loans.

The resident at 6202 Passaic Street has been approved and vetted by the City for the Home Repair Program. The project total amount is \$60,375, of which \$25,000 is in the form of a grant and \$35,375 is in the form of a zero percent (0%) interest deferred loan. The lead and asbestos walkthrough and testing have been completed by the City's environmental consultant. Additionally, the home inspector, Code Enforcement Department, and city program staff did a site walk for the repairs being requested for his home. The repairs include, but are not limited to:

- Remove plumbing fixtures and cap plumbing and sewer lines (code enforcement).
- Remove and replace existing domestic water supply line with code compliance water supply.
- Realign existing toilet for Americans with Disability Act (ADA) accommodation.

CONSIDERATION AND APPROVAL FOR RESIDENT CASE FILE WITH THE HOME REPAIR PROGRAM FUNDED WITH THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FOR THE NOT-TO-EXCEED AMOUNT OF \$60,375.00.

June 18, 2024

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- Remove existing roofing and install new shingles.
- Replace fascia board and roof rafters.
- The final clean of the repair site.
- Lead and asbestos removal.

Furthermore, this residence has an open Code Enforcement case and with the assistance of the Home Repair Program they will be addressing the non-compliance issues. Throughout the process of his application, City staff has been working with the Code Enforcement Department to address and resolve all issues that have been identified as a health or safety concern.

FISCAL IMPACT

There will be no fiscal impact on the General Fund. This program will be funded through the Home Program via the Department of Housing and Urban Development (HUD). Funds will be paid from Account Number 242-5070-463.57-38.

CONCLUSION

Upon the Council's direction, staff will proceed with actions as directed.

Respectfully submitted,



RICARDO REYES
City Manager



STEVE FORSTER
Community Development Director

ATTACHMENT(S):

- A. Home Repair Program Grant Agreement
- B. Home Repair Program Promissory Note
- C. Home Repair Program Deed of Trust

ATTACHMENT "A"



CITY OF HUNTINGTON PARK HOME REPAIR PROGRAM HOMEOWNER GRANT AGREEMENT

Property Owner: Rafael Gomez
Subject Property: 6202 Passaic St, Huntington Park, CA 90255
Grant Amount: Twenty-Five Thousand Dollars (\$25,000)

This **HOME REPAIR PROGRAM CONTRACTOR AGREEMENT** ("Agreement") is made this date of
June 4, 2024 by Rafael Gomez, ("Participant"),

The undersigned Participant hereby acknowledges receipt of a Home Repair Program from the City of Huntington Park to pay for certain cost associated with rehab activities. The Participant is the owner of certain real property commonly known as 6202 Passaic St, Huntington Park, CA 90255 in the City of Huntington Park, California.

The undersigned Participant agrees and acknowledges that the Grant funds will be used to compensate vendors, contractors, laborers and/or materials suppliers who are to provide such labor and/or materials relating to rehabilitation activities approved by the Grantor.

The undersigned Participant agrees and acknowledges that the cost of any work performed on Participant's residence that was not agreed upon and approved by the Grantor will be the sole obligation of the Participant and not the responsibility nor liability of the Grantor.

The undersigned Participant agrees and acknowledges that the Participant shall perform the rehabilitation activities in a timely manner.

The undersigned Participant agrees and acknowledge grant funds shall be disbursed to the awarded contractor on behalf of the Participant as payment becomes due. The Participant has the right to terminate this Home Repair Program Grant Agreement if the Participant fails to meet the requirements set forth in this Agreement and the Grantor may consider it a material breach. This right to terminate shall be in addition to, and not in lieu of, all other remedies available to the Grantor, at law or in equity, including, without limitation, the right to recoup funds granted under the term of this Grant Agreement

This Home Repair Grant Agreement is governed and construed in accordance with the law of the State of California.

IN WITNESS WHEREOF, the Borrower(s) has executed this Grant Agreement as of the date and year first above written.

PROGRAM PARTICIPANT(S)

Signature(s):

Rafael Gomez

Property Owner(s):

Rafael Gomez

Date Signed:

June 4, 2024

ATTACHMENT "B"

EXHIBIT C

**PROMISSORY NOTE
Secured By Deed of Trust**

PROMISSORY NOTE SECURED BY DEED OF TRUST

DO NOT DESTROY THIS ORIGINAL NOTE: When paid or when Note reaches maturity, said Original Note, together with the Deed of Trust securing same, must be surrendered to Trustor for cancellation and retention before reconveyance will be made.

Date: June 4, 2024 Executed at: Huntington Park, California
6202 Passaic St Huntington Park California 90255
Property Address City State Zip Code

1. BORROWER'S PROMISE TO PAY

Rafael Gomez ("Borrower") promises to pay to the CITY OF HUNTINGTON PARK ("City" or "Holder") \$35,375.00 ("Principal") or so much thereof as may be disbursed by the City under that certain Home Repair Loan Agreement executed by the City and the Borrower, in United States currency and all accrued interest thereon, on or before the date that is thirty (30) years after the date of this Note (or such earlier date to which such date may be accelerated under Section 3). Borrower understands that the City may transfer this Note. The City or anyone who takes this Note by transfer is hereinafter called the "Note Holder".

2. INTEREST

The annual interest rate is zero percent (0%).

3. PAYMENT; ACCELERATION

All loans are due upon sale of the property, transfer of title, refinance to cash-out/borrow, or when borrower no longer occupies the home as his/her principal residence.

All payments shall be made to the Holder at City of Huntington Park, Home Repair Program, 6550 Miles Ave Huntington Park, California 90255 or such other place as the Holder may designate in writing.

Notwithstanding the above, the Principal shall become due and immediately payable upon the occurrence of any one of the following "Events of Acceleration": (a) sale or transfer or further encumbrance of the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein whether voluntary or involuntary, except a sale or transfer or further encumbrance which under applicable law, would not, by itself, permit the City to exercise a due on sale or due on encumbrance clause; (b) the refinancing of any first lien senior to the Deed of Trust (and shown in Holder's title policy as a title exception) for a loan amount in excess of the then-current loan balance secured by the first lien, plus reasonable closing costs, or any refinancing of any refinanced lien; (c) Participant fails to occupy the Property as his/her principal place of residence; or (d) an Event of Default by Trustor occurs under the Home Repair Loan Agreement. In no event shall the City allow a refinancing of a first lien for a loan amount in excess of the current loan balance secured by the First Lien (except by the amount of reasonable closing costs as determined by the City), and in no event shall more than one such refinancing be permitted.

Upon the occurrence of an Event of Acceleration, the Holder may, at Holder's option, declare the outstanding principal amount of this Note, together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice,

all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. The Holder shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as such the Holder may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of the Holder in exercising any right hereunder, under the Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of the Holder's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

4. THIS NOTE SECURED BY A DEED OF TRUST

This Note is secured by that certain Deed of Trust with Assignment of Rents dated the same date as this Note executed by the Borrower, encumbering the property first described above.

5. BORROWER'S PAYMENTS BEFORE THEY ARE DUE

The Borrower has the right to make payments of principal at any time before they are due. A payment of this type is known as a "prepayment". When a prepayment is made, the Borrower will tell the Note Holder in a letter that the amount is a prepayment of the entire unpaid principal known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

The Borrower may make a full prepayment or a partial prepayment. The Holder will use all prepayments to reduce the amount of principal that owed under this Note. If a partial prepayment is made, there will be no delays in the due dates or changes in the amounts of any monthly payments unless the Holder agrees in writing to those delays or changes. A full prepayment may be made at any time. If the Borrower chooses to make a partial prepayment, the Holder may require the Borrower to make the prepayment on the same day that one of the monthly payments is due. The Holder may also require that the amount of the partial prepayment be equal to the amount of principal that would have been part of the next one or more monthly payments.

6. BORROWER'S WAIVERS

The Borrower waives its rights to require the Holder to do certain things under the law such as: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); or (c) to obtain an official certification of nonpayment (known as a "protest"). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to the holder if the Borrower fails to perform under the terms and conditions of this Note, or who signs this Note to transfer it to someone else, also waives these rights such as guarantors, sureties and endorsers.

7. GIVING OF NOTICES

Any notice that must be given under this Note will be given by delivering it or by mailing it by certified mail or delivery by reputable overnight delivery service (such as Federal Express) addressed to the Borrower at the Property Address above. A notice will be delivered or mailed to the Borrower at a different address if the Borrower gives the Holder a notice of a different address. Any notice that must be given to the Holder under this Note will be given by mailing it

by certified mail or delivery by reputable overnight delivery service (such as Federal Express) to the Holder at the address stated in Section 3 above. A notice will be mailed or delivered to the Holder at a different address if the Borrower is given a notice of that different address.

8. JOINT AND SEVERAL OBLIGATION

This Note is the joint and several obligations of all makers, sureties, guarantors and endorsers of the Borrower, and shall be binding upon them and their heirs, successors and assigns.

9. ATTORNEYS' FEES AND COSTS

The Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

10. AMENDMENTS AND MODIFICATIONS

This Note may not be changed orally, but only by an amendment in writing signed by the Borrower and by the Holder.

11. HOLDER MAY ASSIGN

Holder may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

12. BORROWER ASSIGNMENT PROHIBITED

The Borrower shall not transfer its rights and obligations under this Note without the Holder's prior written consent, which consent is at the sole and absolute discretion of the Holder.

13. MISCELLANEOUS

Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. The Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Riverside or the United States District Court of the Central District of California, as the Holder hereof may deem appropriate, or, if required, the Municipal Court of the State of California for the County of Riverside, in connection with any legal action or proceeding arising out of or relating to this Note. The Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

IN WITNESS WHEREOF the Borrower has executed this Note as of the day and year set forth above.

NOTICE TO BORROWER: Do not sign this Note if it contains blank spaces. All spaces should be completed before you sign. Sign original only.

Rafael Gomez
Signature of Borrower

Rafael Gomez
Owner Name

June 4, 2024
Date Signed

Signature of Borrower

Owner Name

Date Signed

ATTACHMENT "C"

EXHIBIT D

DEED OF TRUST

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Steve Forster
City of Huntington Park
6550 Miles Ave
Huntington Park, CA 90255

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AND ASSIGNMENT OF RENTS

BY THE DEED OF TRUST, made this 4th day of June, 2024, between Rafael Gomez, as Homeowner, herein called TRUSTOR,

Whose address is 6202 Passaic St Huntington Park, CA 90255
(number and street) (city) (state) (zip)

and City of Huntington Park, herein called Trustee, and City of Huntington Park, herein called Beneficiary, Trustor grants, transfer, and assigns to trustee, in trust with power of sale, the land in Los Angeles County, California, described as: APN 631-900-0001

C S MILES ADD TO HUNTINGTON PARK N 50 FT OF LOTS 1 AND LOT 2 BLK 3

and all improvements and fixtures thereon (collectively, the "Property").

Trustor also assigns to Beneficiary all rents, issues and profit of said realty reserving the right to collect and use the same except during continuance of default hereunder and during continuance of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto

For purpose of securing:

(1) Payment of the indebtedness evidenced by one promissory note in the principal sum of \$35,375 of even date herewith, payable to Beneficiary, and any extensions or renewals thereof; (2) the payment of any money that may be advanced by the Beneficiary to Trustor, or his successors, with interest thereon, evidenced by additional notes (indicating they are so secured) or by endorsement on the original note, executed by Trustor or his successor; (3) performance of each agreement of Trustor incorporated by reference or contained herein.

On October 25, 1973, identical fictitious Deeds of Trust were recorded in the offices of the County Recorders of the Counties of the State of California, the first page thereof appearing in the book and at the page of the records of the respective County Recorder as follows.

County	Book	Page	County	Book	Page	County	Book	Page	County	Page	Book
Alameda	3540	89	Kings	1018	394	Placer	1528	440	Siskiyou	97	407
Alpine	18	753	Lake	743	552	Plumas	227	443	Solano	1860	581
Amador	250	243	Lassen	271	367	Riverside	1973	139405	Sonoma	2810	975
Butte	1870	678	Los Angeles	T8512	751	Sacramento	731025	59	Stanislaus	2587	332
Calaveras	368	92	Madera	1176	234	San Benito	386	94	Sutter	817	182
Colusa	409	347	Mann	2736	463	San Bernardino	8294	877	Tehama	630	522
Contra Costa	7077	178	Mariposa	143	717	San Francisco	B820	585	Trinity	161	393
Del Norte	174	526	Mendocino	942	242	San Joaquin	3813	6	Tulare	3137	567
El Dorado	1229	594	Merced	1940	361	San Luis Obispo	1750	491	Tuolumne	396	309
Fresno	6227	411	Modoc	225	668	San Mateo	6491	600	Ventura	4182	662
Glenn	585	290	Mono	160	215	Santa Barbara	2486	1244	Yolo	1081	335
Humboldt	1213	31	Monterey	877	243	Santa Clara	0623	713	Yuba	564	163
Imperial	1355	801	Napa	922	96	Santa Cruz	2358	744	File No		
Inyo	205	660	Nevada	665	303	Shasta	1195	293	San Diego	73-299568	
Kern	4809	2351	Orange	10961	398	Sierra	59	439			

The provisions contained in Section A, including paragraph 1 through 5, and the provisions contained in Section B, including paragraphs 1 through 9 of said fictitious Deeds of Trust are incorporated herein as fully as though set forth at length and in full herein. The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at the address here in above set forth, being the address designated for the purpose of receiving such notice.

Signature: Rafael Gomez 6-4-24

Rafael Gomez, Trustee

A. TO PROTECT THE SECURITY THEREOF, TRUSTOR AGREES:

- (1) To keep said Property in good condition and repair, preserve thereon the buildings, complete construction begun, restore damage or destruction, and pay the cost thereof; to commit or permit no waste, no violation of laws or covenants or conditions relating to use, alterations or improvements; to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts which the character and use of said property and the estate or interest in said property secured by this Deed of Trust may require to preserve this security.
- (2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or Beneficiary may release all or any part thereof to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence to title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.
- (4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- (5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at seven percent per annum, and to pay for any statement provided for any law regarding the obligations secured hereby in the amount demanded by Beneficiary, not exceeding the maximum amount permitted by law at the time of the request thereof.

B. IT IS MUTUALLY AGREED THAT:

- (1) Any award of damages in connection with any condemnation for public use of or injury of said property of any part thereof is hereby assigned to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as provided for disposition of proceeds of fire or other insurance.
- (2) By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.
- (3) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey and part of said property; consent to the making of any map thereof; join in granting any easement thereon, or join in any agreement extending or subordinating the lien or charge hereof.
- (4) Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).
- (5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured,

enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice

(6) Upon the occurrence of an "Event of Acceleration" (as hereinafter defined), Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause said property to be sold, which notice Trustee shall cause to be duly filed for record. As used herein, the term "Event of Acceleration" means (i) sale or transfer or further encumbrance of the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale or transfer or further encumbrance, which under applicable law, would not by itself permit the City to exercise a due on sale or due on encumbrance clause, as applicable; (ii) the refinancing of any first lien senior to this deed of trust (and shown in Beneficiary's title policy as a title exception) for a loan amount in excess of the current loan balance secured by a first lien plus reasonable closing costs, or any refinancing of a refinanced first lien; (iii) Trustor fails to occupy the property as his/her principal place of residence; or (iv) an Event of Default by Trustor occurs under that certain Home Repair Loan Agreement between Trustor and Beneficiary.

Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any mailers or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of Title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) This Deed applies to, inures to the benefit of, and binds all parties hereto, their legal representative and successors in interest. The term Beneficiary shall include any future owner and holder, including pledges, of the note secured hereby. In this Deed whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(8) Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(9) The Trusts created hereby are irrevocable by Trustor

(10) Beneficiary may substitute a successor Trustee from time to time by recording in the Office of the Recorder of Records of the County where the property is located an instrument stating the election of the Beneficiary to make such substitution, which instrument shall identify the Deed of Trust by recording reference, and by the name of the original Trustor, Trustee and Beneficiary, and shall set forth the name and address of the new Trustee, and which instrument shall be signed by the Beneficiary and duly acknowledged.

ITEM 5



CITY OF HUNTINGTON PARK

Community Development Department
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND ADOPTION OF THE CITY OF HUNTINGTON PARK'S HOME PROGRAM POLICIES AND PROCEDURES

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Receive and Adopt the Home Investment Partnership Act (HOME Program) Policies and Procedures for the administration of the program.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Department of Housing and Urban Development (HUD) provides annual grants on a formula basis to states, counties, and cities to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The City of Huntington Park is a recipient of the HOME Investment Partnership Act (HOME) funds. The purposes of the HOME Program are to expand the supply of affordable housing for low- and very low-income persons; improve the means of state and local governments to implement strategies to achieve adequate supplies of decent, affordable housing; and provide both financial and technical assistance to participants to develop model programs for affordable, low-income housing.

On Monday, April 8th, 2024, the City of Huntington Park participated in the Risked-Based Technical Assistance Program (RBTA) to review the City's HOME funded Programs with the Community Planning and Development (CPD) Representative from HUD. The purpose of the RBTA Program is to develop a strategy to achieve compliance in the development and implementation of HOME Programs. One of the corrective actions identified by HUD was for the City to update the HOME Program policies and procedures including but not limited to the Tenant-Based Rental Assistance (TBRA) program. The corrective actions include, but are not limited to, adequate program marketing, selection policies, Consolidated Plan support, and comprehensive program design.

CONSIDERATION AND ADOPTION OF THE CITY OF HUNTINGTON PARK'S HOME PROGRAM POLICIES AND PROCEDURES

June 18, 2024

Page 2 of 2

City staff has updated the HOME Program Policies and Procedures to address all corrective actions and concerns brought up in the RBTA to meet compliance with HUD guidelines.

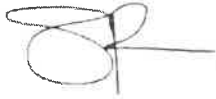
CONCLUSION

Upon Council approval, staff will submit the Policies and Procedures to HUD for review and acknowledgment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ricardo Reyes', with a stylized, flowing script.

RICARDO REYES
City Manager

A handwritten signature in black ink, appearing to read 'Steve Forster', with a stylized, flowing script.

STEVE FORSTER
Community Development Director

Attachments:

A: HOME Policies and Procedures Manual



HOME Investment Partnership Program Manual

JUNE 2024



CITY OF HUNTINGTON PARK

6550 Miles Avenue, Huntington Park, California
90255

[Tel] 323-582-6161 [Fax] 323-584-6244

www.hpca.gov

Michael Baker
INTERNATIONAL

Consultant to the city

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CHAPTER 1: OVERVIEW OF THE HOME PROGRAM

INTRODUCTION

The HOME program is a federal block grant program directed by the U.S. Department of Housing and Urban Development (HUD) and is designed to create affordable housing for low-income households. The City of Huntington Park is responsible for the administration of its HOME Program.

The purposes of the HOME Program include expanding the supply of affordable housing for low- and very low-income persons; improving the means of state and local governments to implement strategies to achieve adequate supplies of decent, affordable housing; and providing both financial and technical assistance to participants to develop model programs for affordable, low-income housing.

HOME grants are awarded each year through a competitive application process to construct, acquire and/or rehabilitate rental housing, or develop new housing for homeownership. Successful grant applicants have included Community Housing Development Organizations (CHDOs).

PURPOSES AND GOALS

The HOME Program purposes and goals are:

1. Expanding the supply of decent, safe, sanitary, and affordable housing for very low-income and low-income families in Huntington Park (those at or below 80 percent of area median income).
2. Mobilizing and strengthening the abilities of units of local governments, public housing authorities, and community housing development organizations to implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing.
3. Providing participating entities, on a coordinated basis, with various forms of federal housing assistance.

The City of Huntington Park will focus on the following purposes and goals:

1. Assisting in preserving existing or constructing decent, safe, sanitary, and affordable housing in areas of greatest demonstrated need in the community in the City of Huntington Park, ensuring geographic distribution, where and when possible, taking into consideration the historical information of the property and area, the current housing market, and the prospects for future demand.
2. In areas where greatest need is identified, giving preference to those projects which provide the greatest number of qualified affordable units relative to the HOME funds allocated, while considering serving lower income families in Huntington Park.

3. Making sure units are affordable to households for the applicable period of affordability.
4. Allocating only the minimum amount of HOME funds that the City of Huntington Park determines to be necessary for the financial feasibility of the project and its viability as a qualified affordable housing project throughout the period of affordability.
5. Assisting in providing housing to meet the needs and priorities outlined in the City's Consolidated Plan and its corresponding Annual Action Plan.
6. Providing opportunities for CHDOs to access the HOME Program on behalf of low- and very low-income residents.
7. Encouraging innovative approaches in planning, designing, constructing, enhancing energy efficiency, and financing that are cost effective in providing affordable housing.
8. Giving preference to those applications that show a greater degree of readiness to proceed with the development.
9. Allowing applicants, the ability to self-monitor their capabilities, based on geographic area, population, need and capacity.
10. Maximizing the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, the City of Huntington Park will **not process** any application that is not consistent with the purposes and goals of the City's Consolidated Plan. The City of Huntington Park will consider the capacity of its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project.

ALLOCATION OF FUNDS (92.50 and 92.102)

HOME funds are allocated annually by formula to State and local governments by HUD. The City of Huntington Park receives funds through this formula and the Planning and Community Development Division is the lead agency that administers those funds. Under the HOME Program, the City of Huntington Park is designated as a "Participating Jurisdiction" ("PJ").

The City of Huntington Park is subject to several HOME Program requirements when allocating funds to other entities. These requirements affect the way the City of Huntington Park and its recipient's run its HOME Program.

TIMEFRAMES

The City of Huntington Park has 24 months to enter into written agreements with developers, owners, contractors, Subrecipients, and Community Housing Development Organizations (CHDOs), a type of nonprofit housing organization to commit HOME funds and 5 years to expend HOME funds. If the City does not meet these timeframes, it risks losing the allocated HOME funds.

USE OF FUNDS

The HOME Program places the following limits on the "use" of funds:

1. **Planning and Administration (92.207):** The City of Huntington Park may use up to 10 percent of their HOME Program allocation and program income received for eligible and reasonable planning and administration costs.
2. **CHDOs:** The City of Huntington Park must reserve a minimum of 15 percent of its annual allocation for activities undertaken by qualified Community Housing Development Organizations (CHDOs).

HOME-FUNDED ACTIVITIES

The City's HOME funds may be used to support four general affordable housing activities:

1. **Homeowner rehabilitation:** HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation, or reconstruction of their homes.
2. **Homebuyer activities:** HOME funds can be used to finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.
3. **Rental housing:** Affordable rental housing may be acquired and/or rehabilitated or constructed.
4. **Tenant-based rental assistance (TBRA):** Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program.

The City of Huntington Park will use its HOME Program funds for a loan program, homebuyer program, affordable housing procurement which includes social services, and refinance debt relief.

HOME PROGRAM ROLES AND RELATIONSHIPS

The City of Huntington Park may rely on numerous partners to create affordable housing under its HOME program. Partners play different roles at different times, depending upon the project or activity being undertaken. Defined below are some of the types of partners:

1. **CHDOs:** A CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. The City of Huntington Park must use a minimum of 15 percent of its annual allocation for housing owned, developed, or sponsored by CHDOs. The City will evaluate the organizations' qualifications and designate them as CHDOs. CHDOs also may be involved in the program as Subrecipients, but the use of HOME funds in this capacity is not counted toward the 15 percent set-aside.
2. **Subrecipient:** A Subrecipient is a public agency or nonprofit organization that may be selected by the City to administer all or a portion of the City's HOME Program. It may or may not also qualify as a CHDO. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not considered a Subrecipient.

3. **Developers, Owners, and Sponsors:** Individuals, for-profit entities and nonprofits can participate in the HOME Program as owners, developers, or sponsors of housing. When CHDOs use HOME funds as owners, developers or sponsors, this use of HOME funds counts toward the 15 percent CHDO set-aside.
4. **Private Lenders:** One of the goals of the HOME Program is to establish strong public/private partnerships. The City is required to make all reasonable efforts to maximize participation by private lenders and other members of the private sector. The Community Reinvestment Act (CRA) requirements provide an incentive to private lending institutions to become involved in HOME Program activities.
5. **Faith-Based Organizations:** Faith-based or religious organizations are now able to compete on an equal footing with other organizations for HUD funding. Funding may be provided directly to any Recipient, as long as those funds are not used to support inherently religious activities.
6. **Third-Party Contractors:** The City may contract with a private for-profit contractor to administer all or part of its HOME Program. Unlike public agencies or nonprofits, contractors must be procured through a competitive process.

OBLIGATIONS (MATCH) (24 CFR 92.218-92.222)

Generally, the City must make contributions to housing that qualifies as affordable housing under the HOME program, throughout a fiscal year. The contributions must total not less than 25 percent of the funds drawn from the City's HOME Investment Trust Fund Treasury account in that fiscal year.

RECORDKEEPING, REPORTING, AND MONITORING (CFR 92.508 and 92.509)

1. The City of Huntington Park is required to keep records that enable HUD to determine whether they have met program and project requirements. The City is also responsible for enforcing these requirements with all its HOME Program Recipients. Monitoring and record-keeping requirements are outlined in Chapter 10; Part 2: Record keeping, Reporting Requirement, and Monitoring of this manual.
2. The City Huntington Park must also submit an annual performance report to HUD known as the Consolidated Annual Performance and Evaluation Report (CAPER.) The City requires that all Recipients (including CHDOs) meet certain reporting obligations to assist with this annual responsibility.

CHAPTER 2: HOME PROGRAM RULES

PART 1: GENERAL PROGRAM RULES

The City of Huntington Park allocates funds to develop eligible HOME projects. The HOME program contains a number of basic rules that apply to all program activities. These rules involve:

1. The definition of a project;
2. The form and amount of subsidy;
3. Eligible costs;
4. The property;
5. The applicant or beneficiary;
6. The long-term affordability of the project; and
7. Applicability of other federal requirements

The following two definitions are critical to understanding the requirements that are outlined in the following sections.

DEFINITION OF A PROJECT

Project means a site or sites together with any building (including manufactured housing unit) or buildings located on the site(s) under common ownership, management, and financing, to be assisted with HOME funds as a single undertaking. The “project” includes all of the activities associated with the site and building. For tenant-based rental assistance (TBRA), “project” means assistance to one or more families.

HOME-Assisted Units: The HOME Program distinguishes between the units in a project that have been assisted with HOME funds and those that have not -- hence the term HOME-assisted unit. This distinction between HOME-assisted and unassisted units allows HOME funds to be spent on mixed-income projects while still targeting HOME dollars only to income-eligible households.

SUBSIDY

Eligible Forms of Subsidy

HOME allows virtually any form of financial assistance, or subsidy, to be provided for eligible projects and to eligible beneficiaries through the City.

The HOME regulation lists the following forms of subsidy as eligible:

1. **Interest bearing loans or advances:** These loans are amortizing loans. Repayment is expected on a regular basis, usually monthly, so that over a fixed period of time, all of the principal and interest is repaid.

- Such loans may have interest rates at or below the prevailing market rate. Often, very low interest rates (i.e., one to three percent) can make monthly payments affordable to the borrower.
 - The property or some other assets are used as collateral.
 - The term of the loan may vary. For home purchase, a term of up to 30 years is common while rehabilitation and construction loans tend to have terms of 10 to 15 years.
2. **Non-interest-bearing loans or advances:** The principal amounts of such loans are paid back on a regular basis over time, but no interest is charged. As with interest-bearing loans, these loans will use the property or other assets as collateral and the term of the loan will vary depending on the nature of the activity funded. Such loans are made when the borrower can make regular payments but even a small amount of interest is not affordable.
3. **Deferred loans (forgivable or repayable):** These loans are not fully amortized. Instead, some, or even all, principal and interest payments are deferred to some point in the future. Deferred loans can be structured in many ways.
- Deferred payment loans can be forgivable or repayable.
 - If forgivable, the forgiveness might be structured to occur at one point in time (such as at the end of the affordability period), or forgiven incrementally (such as forgiving one-fifth of the loan each year over five years).
 - If repayable, repayment might be required at the sale or transfer of the property or at the end of a fixed period of time.
 - Like the amortizing loans discussed above, these loans can accrue interest or be non-interest bearing.
 - Deferred payment loans require the property or some other form of collateral to be used as security for repayments.
 - Deferred payment loans are also referred to as “soft seconds.” They are increasingly being used to leverage private first mortgage financing in homeownership. They may also be used to help rental projects by allowing deferral of loan payments for the first few years until the project becomes stable.
4. **Grants:** Grants are provided with no requirement or expectation of repayment.
- Grants require no liens on the property or other assets.
 - Grants are most used for down-payment and closing cost assistance in homebuyer programs or to provide assistance to very low-income owner-occupants for rehabilitation.
5. **Interest Subsidies:** This is usually an up-front discounted payment to a private lender in exchange for a lower interest rate on a loan. An interest subsidy may also be a deposit in an interest-bearing account from which monthly subsidies are drawn and paid to a lender along with the homeowner’s monthly payment.

6. **Equity Investments:** An equity investment is an investment made in return for a share of ownership. Under this form of subsidy, the City acquires a financial stake in the assisted property and is paid a monetary return on the investment if money is left after expenses and loans are paid.
7. **Loan Guarantees and Loan Guarantee Accounts:** HOME funds may be pledged to guarantee loans or to capitalize a loan guarantee account. A loan guarantee or a loan guarantee account ensures payment of a loan in case of default.
 - A loan guarantee is a written promise to pay the lender some percentage of the outstanding principal balance of a loan in the event the borrower defaults. It may be held for a specified period of time or reduced by a specific amount over time as the loan principal is repaid.
 - A loan guarantee account is a loan loss reserve held by the lender in an amount equal to some percentage of the outstanding principal.
 - The lender holding the loan guarantee account may require a minimum balance, as well as a percentage of the principal amount of the loan. The percentage of the loan amount held as guarantee may vary from loan to loan, or from program to program.HOME rules require that the amount of money in a loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, and may not exceed 20 percent of the total outstanding principal guaranteed, except that the account may include a reasonable minimum balance.
8. **Other forms approved by HUD:** Other forms of assistance require HUD approval. If the City intends to use a form of assistance not listed above, the City's Consolidated Plan or Action Plan should describe the proposed form of assistance. Once approved by HUD as part of the Plan, no other HUD approval is required.

PROJECT SUBSIDY LIMITS

1. **Minimum HOME investment:** The minimum amount of HOME funds is an average of \$1,000, multiplied by the number of HOME-assisted units in the project.
 - a. The minimum **only** relates to the HOME funds, and **not** to any other funds that might be used for project costs.
 - b. The minimum HOME investment does not apply to TBRA.
2. **Maximum HOME Investment:** The maximum per-unit HOME subsidy limit varies by PJ. HUD determines the maximum amounts, which are based on the City's Section 221(d)(3) program limits for the metropolitan area, each year.
3. **Maximum per-unit subsidy limit is:**
 - a. 100 percent of the dollar limits for a Section 221(d)(3) nonprofit sponsor, indexed for base city high-cost areas, and adjusted for the number of bedrooms.
4. **Actual HOME Investment:** The actual subsidy provided will depend on the following factors.
 - a. The proportion of the total project cost that is HOME-eligible -- some planned project costs may not be eligible expenses under the HOME Program.

- b. The number of units in the project is HOME-assisted -- projects may have a mix of HOME- and non-HOME-assisted units.
- c. The financial needs of the project -- HOME projects may not receive more subsidy than is required to make them financially feasible.

PROCEDURE

To determine what is required and reasonable, the City of Huntington Park will complete a cost allocation and subsidy layering analysis. HOME project awards are based on the completed cost allocation and subsidy layering analysis.

Cost allocation and subsidy layering are impacted by any changes in the number of HOME-assisted units, total number of units in the project, development cost, and/or financing sources.

NOTE: Because of these requirements, all of the City of Huntington Park HOME Recipients are obligated to contact the City as soon as there are any changes in project size, scope, cost, or financing sources.

ELIGIBLE COSTS

Eligible costs depend on the nature of the program activity. A general list of eligible costs are:

1. **New construction:** HOME funds may be used for new construction of both rental and ownership housing. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.
2. **Rehabilitation:** This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction.
3. **Reconstruction:** This refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment. HOME funds may be used to build a new foundation or repair an existing foundation. Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not.
4. **Reconstruction and Environmental Review (24 CFR Part 58):** Reconstruction may take place anywhere on the lot; however, reconstruction of a single-family unit in a new location on the lot is classified as new construction for purposes of environmental review. Reconstruction of multi-family is viewed as new construction for the purposes of environmental review if the number of units is increased or decreased by more than 20 percent and/or the cost of reconstruction is more than 75 percent of the total estimated cost of the replacement after the work is completed.
5. **Conversion:** Conversion of an existing structure from another use to affordable residential housing is usually classified as rehabilitation. If conversion involves additional

units beyond the walls (envelope) of an existing structure, the entire project will be deemed new construction. Conversion of a structure to commercial use is prohibited.

6. **Site improvements:** Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present. They are essential to development or repair of existing improvements. Building new, off-site utility connections to an adjacent street is also eligible. Off-site infrastructure is not eligible as a HOME expense but may be eligible for match credit.
Example: Infrastructure, such as sewer and water lines in a public street in front of a HOME-assisted property, cannot be paid for with HOME funds. However, the connections that run from the HOME-assisted property to the street are eligible HOME costs since they are essential to the property.
7. **Acquisition of property:** Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homebuyer program or a rental housing project. After acquisition, rental units must meet HOME rental occupancy, affordability and lease requirements.
8. **Acquisition of vacant land:** HOME funds may be used for acquisition of vacant land only if construction will begin on a HOME project within 12 months of purchase. Land banking is prohibited.
9. **Demolition:** Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 12 months.
10. **Relocation costs:** The Uniform Relocation Act and Section 104(d) (also known as the Barney Frank Amendments; see the appendix for detailed information on these requirements) apply to all HOME-assisted properties. Both permanent and temporary relocation assistance are eligible costs. Staff and overhead costs associated with relocation assistance are also eligible.
11. **Project-related soft costs:** These costs must be reasonable and necessary. Examples of eligible project soft costs include:
 - Finance-related costs;
 - Architectural, engineering, and related professional services;
 - Tenant and homebuyer counseling, provided the recipient of counseling ultimately becomes the tenant or owner of a HOME-assisted unit;
 - Project audit costs;
 - Affirmative marketing and fair housing services to prospective tenants or owners of an assisted project; and
 - PJ staff costs directly related to projects (not including TBRA)

PROHIBITED ACTIVITIES

The HOME Program regulations explicitly prohibit certain activities including:

1. **Project reserve accounts:** HOME funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for operating subsidies.

2. **Tenant-based rental assistance for certain purposes:** HOME funds may not be used as rental assistance in conjunction with the federal Rental Rehabilitation Program (Section 17) to prevent displacements. They also may not be used for certain mandated existing Section 8 Program uses, such as Section 8 rent subsidies for troubled HUD-insured projects.
3. **Match for other programs:** HOME Program funds may not be used as the “nonfederal” match for other federal programs except to match McKinney Act funds.
4. **Development, operations, or modernization of public housing:** HOME Program funds may not be used to provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds).
5. **Properties receiving assistance under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages):** Properties receiving assistance through the Low-Income Housing Preservation and Resident Homeownership Act (LIHPHA) or the Emergency Low Income Preservation Act (ELIHPA) are not eligible for HOME assistance except if the HOME assistance is provided to priority purchasers. These programs are no longer funded.
6. **Double-dipping:** During the first year after project completion, the City may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a HOME-assisted project during the relevant period of affordability, except for:
 - Rental assistance to families may be renewed.
 - Rental assistance may be provided to families that will occupy housing previously assisted with HOME funds.
 - A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds.
7. **Acquisition of a City-owned property:** The City may not use HOME Program funds to reimburse itself for property in its inventory or property purchased for another purpose. However, in anticipation of a HOME project, the City may use HOME funds to:
 - Acquire property.
 - Reimburse itself for property acquired specifically for a HOME project with other funds.
8. **Project-based rental assistance:** HOME funds may not be used for rental assistance if receipt of the funds is tied to occupancy in a particular project. Funds from another source, such as Section 8, may be used for this type of project-based assistance in a HOME assisted unit. Further, HOME funds may be used for other eligible costs, such as rehabilitation, in units receiving project-based assistance from another source -- for example, Section 8 or state-funded project-based assistance.
9. **Pay for delinquent taxes, fees, or charges:** HOME funds may not be used to pay delinquent taxes, fees, or charges on properties to be assisted with HOME funds.

PROPERTY

The HOME Program rules concerning the type and value of properties eligible for assistance are:

1. **Property Types**

Depending on the nature of the program activity, HOME rules specify the types of property that are eligible for funding.

2. **Property Value**

For owner-occupied and homebuyer properties, HOME limits the value or purchase price of the property. In summary, the price or, in the case of rehabilitated properties, the value may not exceed 95 percent of the area median purchase price.

3. **Property Standards** Home-funded properties must meet the following minimum property standards:

1. **State and local standards:** State and local codes and ordinances apply to any HOME funded project regardless of whether the project involves acquisition, rehabilitation, or new construction.
2. **Model codes:** For rehabilitation or new construction projects where there are not state or local building codes, the City must enforce national model code.
3. **Housing quality standards:** For acquisition-only projects, if there are no state or local codes or standards, the City must enforce Section 8 Housing Quality Standards (HQS).
4. **Rehabilitation standards:** The City is required to develop written rehabilitation standards to apply to all HOME-funded rehabilitation work. These standards are similar to work specifications, and generally describe the methods and materials to be used when performing rehabilitation activities.
5. **International Energy Conservation Code:** New construction requires compliance with the International Energy Conservation Code.
6. **Handicapped accessibility:** In some cases, handicapped accessibility requirements apply Section (504).
7. **Energy Star:** The City of Huntington Park requires new construction projects (single-family and multifamily) to be certified by a HERS rater as meeting a HERS Index Score of 70 or less.
8. **Site and neighborhood standards:** The site and neighborhood standards of 24 CFR 983.6(b) applies only to the new construction of rental housing.
9. **Universal Design standards:** the City of Huntington Park requires units to adhere to the City of Huntington Park Rehabilitation Standards for Housing:
 - a. The applicable standards vary by the type of activity. Exhibit 1 explains the minimum property standards that apply to each type of HOME activity.
 - b. All *new* manufactured housing units must meet the construction and safety standards of 24 CFR 3280. New manufactured housing units must be installed according to state or local codes or the manufacturer's written instructions.

APPLICANTS AND BENEFICIARY

The HOME Program is designed to provide affordable housing to low-income and very-low-income families and individuals. Therefore, the program has rules about targeting program resources and establishing applicant eligibility.

1. Program Targeting:

The City of Huntington Park will use 100 percent of its HOME funds to assist families with incomes below 80 percent of the area median income.

2. Rental Housing or TBRA:

If the City elects to use HOME funds for rental housing or for TBRA, additional targeting requirements apply:

- For each annual HOME allocation, the City of Huntington Park will require that 90 percent of the occupants of HOME-assisted rental units and households assisted with HOME-funded TBRA must have incomes that are 60 percent or less of the area median.
- 20 percent of the units in each rental housing project containing five or more units must be occupied by tenant families with incomes at or below 50 percent of median income.
- Owners must adopt written tenant selection policies and procedures.

3. Applicant Income Eligibility

- Income eligibility: Beneficiaries of HOME funds --homebuyers, homeowners, or tenants -- must be low-income or very-low-income. Their income eligibility is determined based on their annual income.
- Annual income: Annual income is the gross amount of income anticipated by all adult household members during the 12 months following the effective date of the determination.

NOTE: Annual income is sometimes referred to as gross income or annual (gross) income.

DEFINITION OF ANNUAL INCOME

In accordance with 2013 HOME Final Rule, the City of Huntington Park has selected a single definition of income for each of its HOME-assisted programs (e.g. Housing Rehabilitation and Preservation Program, Rental Housing Program, etc.) administered by the City.

Annual income will be determined by examining at least 2 months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family. Furthermore, when determining whether a family is income eligible, the City will use the following definition of "annual income":

- Annual income as defined at 24 CFR 5.609 will be utilized while applying exclusions from income established at 24 CFR 5.611 as further required by the 2013 HOME Final Rule.

The City will calculate the annual income of the family by projecting the prevailing rate of income of the family at the time that the City determines that the family is income eligible. Annual income will include income from all persons in the household and income or asset enhancement derived from the HOME-assisted project will not be considered in the calculation.

The City will not re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the City determined that the family qualified as income eligible.

Note: The definition listed above provides guidance on what items to include in annual income calculation (for example, wages, salaries, tips, etc.). They do not affect the method in which income is verified (discussed under "Income Verifications" below) or how income is adjusted when calculating rents or TBRA).

FY 2024 Income Limits

<u>Family Size</u>	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
Maximum income	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750

NOTE: Income limits are adjusted annually. HUD is subject to change their median income percentages per year. This is subject to change.

INCOME VERIFICATION CFR 92.203

- 1. Initial Verification:** To determine if program applicants are income-eligible, Recipients must verify their income using source documentation such as wage statements, interest statements, and unemployment compensation statements.
 - a. Income eligibility is based on anticipated income. When collecting income verification documentation, also consider any likely changes in income.

Example: A last year's tax return does not establish anticipated income; nor is it adequate source documentation.
 - b. Once initial income verification is completed, a Recipient is not required to re-examine the applicant's income unless six months has elapsed before assistance is provided.
- 2. Annual Re-examinations:** For rental and TBRA programs, annual re-certifications of income are required. While the HOME Program regulations require that income must be

verified with source documentation every five years, the City of Huntington Park requires income be verified with source documentation annually.

LONG-TERM AFFORDABILITY

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period.

AFFORDABILITY PERIODS

For homebuyer and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. Exhibit 1 below provides the affordability periods.

EXHIBIT 1: AFFORDABILITY PERIOD	
HOME INVESTMENT PER UNIT	LENGTH OF THE AFFORDABILITY PERIOD
LESS THAN \$15,000	5 YEARS
\$15,000 - \$40,000	10 YEARS
MORE THAN \$40,000	15 YEARS
NEW CONSTRUCTION OF RENTAL HOUSING	20 YEARS
REFINANCING OF RENTAL HOUSING	15 YEARS

OCCUPANCY

Throughout the affordability period, the HOME-assisted housing must be occupied by income-eligible households.

1. **Rental housing:** When units become vacant during the affordability period, subsequent tenants must be income-eligible and must be charged the applicable HOME rent. (See Chapter 6 Rental Housing Program for more information.)
2. **Homebuyer assistance:** If a home purchased with HOME assistance is sold during the affordability period, resale or recapture provisions apply to ensure the continued provision of affordable homeownership. (See Chapter 5: Homebuyer Program activities for more information.)

OTHER FEDERAL REQUIREMENTS

HOME is subject to a few cross-cutting Federal regulations, which are detailed and highlighted as applicable in the chapter covering the City's Homeowner Rehabilitation.

PART 2: COST ALLOCATION AND SUBSIDY LAYERING

The City of Huntington Park performs a cost allocation and subsidy layering review of HOME projects to determine the appropriate subsidy amount to the project. The actual HOME Investment in a project depends on:

1. The proportion of the total project cost that is HOME-eligible -- some planned project costs may not be eligible expenses under the HOME Program.
2. How many of the units in the project are HOME-assisted -- Projects may have a mix of HOME- and non-HOME-assisted units.
3. The financial needs of the project -- HOME projects may not receive more subsidy than is required to make them financially feasible.
4. Cost allocation and subsidy layering are impacted by any changes in the proportion of HOME-assisted unit to total units in the project, development cost, or financing sources.
5. Because of these requirements, CHDOs, developers or subrecipients must contact the City of Huntington Park as soon as there are any changes in project size, scope, cost, or financing sources at any point during the development of the project.

COST ALLOCATION

The HOME Program distinguishes between the units in a project that have been assisted with HOME funds and those that have not resulting in the term ***HOME-Assisted Unit***. The distinction between HOME-assisted and unassisted units allows HOME funds to be spent on mixed-income projects while still targeting HOME dollars only to income-eligible households. Determining a HOME Assisted Unit

HOME rules create a floor (minimum) for the number of HOME-assisted units a project must have. This floor is based on the proportional share of total eligible costs to be paid with HOME funds.

- Before determining the allowable HOME subsidy amount, the City will establish the total HOME-eligible cost for the project.
- Once the total HOME-eligible costs are established for the project, the City must allocate costs across units.
- If both the assisted and non-assisted units are comparable in size, features, and number of bedrooms, the HOME-eligible costs can be pro-rated across units. (Since floating units, by definition, must be comparable, costs should always be pro-rated.)
- If the assisted and non-assisted units are not comparable, the actual costs must be determined and allocated unit-by-unit. The specific units identified to “receive” HOME funds must be fixed -- that is, designated as HOME-assisted.

SUBSIDY LAYERING

HUD establishes limits on the amount of HOME funds that may be invested in affordable housing on a per-unit basis for specific areas as specified below:

- Before committing funds to a project that combines the use of any other local, State or Federal assistance, the City of Huntington Park will evaluate the project in accordance with guidelines that it has adopted, to ensure that the City does not invest any more HOME funds than are necessary to provide affordable housing.
- The City of Huntington Park will conduct a subsidy layering review in accordance with the guidelines presented in HUD Notice CPD-98-01. These guidelines include review of the following project documents:
 - Sources and/or uses of funds: CHDOs/Developers/Subrecipients are required to provide the City of Huntington Park the sources/uses of funds statement for the project with supportive documentation. This statement should reflect the project development budget and should list:
 - All proposed sources (both private and public) of funds and the dollar amounts for each respective source;
 - Construction costs, and
 - Financing costs and professional fees associated with the project.
 - Certification of government assistance CHDOs/ Developers/ Subrecipients must provide a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, what kind of assistance.
 - Project development budget: CHDOs/Developers/Subrecipients must provide the City of Huntington Park the project development budget so that the City can determine whether the development costs are necessary and reasonable. The budget should include all costs associated with the development of the project, regardless of the funding sources.
 - "Reasonableness" of costs will be based on all of the following three factors:
 - Costs of comparable projects in the same geographical area;
 - Qualifications of the cost estimators that developed the various budget line items; and
 - Comparable costs published by recognized industry cost index services.
 - Proforma: the City of Huntington Park will determine the reasonableness of the rate of return on equity investment by looking at the CHDOs/Developers/Subrecipients proforma (project income and expense statement).

- The proforma should include achievable operating expenses.
- It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow.
- The proforma should represent, at a minimum, the term of the HOME affordability requirements, or longer if other funding sources require longer affordability terms.

CHAPTER 3: CHDO REQUIREMENTS AND ACTIVITIES

Part I of this chapter details the CHDO set-aside requirements, the qualifications of a CHDO, CHDO set-aside roles, and the types of assistance the City of Huntington Park may provide CHDOs while Part II of this chapter covers the City's CHDO selection process.

PART 1: HOME PROGRAM REQUIREMENTS

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves.

The City of Huntington Park is committed to support City-approved certified Community Housing Development Organizations (CHDOs) that have the appropriate capacity and consent to develop quality affordable housing throughout the City of Huntington Park. Therefore, the City of Huntington Park continues to encourage qualified nonprofit organizations to apply for certification as a CHDO.

CHDO SET-ASIDE REQUIREMENTS

Reservation of Set-Aside of Funds for CHDOs:

1. The City of Huntington Park has up to 24 months from after the last day of the month in which HUD signs the HOME Investment Partnership Agreement transmittal letter to identify and designate the CHDOs they plan to work with, and to reserve funds for the CHDOs' use.
2. The City of Huntington Park may set aside 15 percent of their funds for housing owned, developed, or sponsored by CHDOs.
3. CHDOs may engage in other HOME-eligible activities in which they are not the owners, developers, or sponsors of the housing. However, the HOME funds committed to those activities will not count toward the set-aside.
4. The CHDO reservation of funds can be made by the City before specific projects are identified.

CHDO QUALIFYING CRITERIA

The City of Huntington Park will certify a nonprofit agency as a CHDO to qualify for the CHDO set-aside. As such, the City of Huntington Park will accept applications for certification on a continuous basis and the certification is valid for one (1) year.

A **CHDO** is a specific type of private nonprofit entity. CHDOs must meet certain requirements (HUD Notice CPD 97-11 details these requirements) pertaining to their:

1. Legal status;
2. Organizational structure; and
3. Capacity and experience.

1. Legal Status

- a. **Organized under State/local law:** CHDOs must be organized under State and local law.

- b. Purpose of organization:** Provision of decent housing that is affordable to low- and moderate-income persons must be among the purposes of the organization. This commitment must be evidenced in the CHDO's:
- Charter;
 - Articles of incorporation;
 - By-laws; or
 - A resolution of the CHDO's board of directors.
- c. No individual benefit:** No part of the CHDO's earnings (profits) may benefit any members, founders, contributors, or individuals.
- d. Clearly defined service area:** A CHDO should have a clearly defined geographic service area.
- CHDOs do not need to represent a single neighborhood.
 - For urban areas, a CHDO may include in its service area a neighborhood or neighborhoods, city, county, or metropolitan area.
 - For rural areas, a CHDO may include in its service area a neighborhood or neighborhoods, town, village, county or multi-county area (but not the entire State.)
 - Nonprofits serving special populations must also define the geographic boundaries of their service areas in order to qualify as CHDOs.
- e. Nonprofit status**
- A CHDO must have received a tax-exempt ruling from the IRS under Section 501(c)(3) of the Internal Revenue Code of 1986 in order to be designated by the PJ as a CHDO.
 - There are many incorporation options under Section 501(c), depending on the type and purpose of the organization seeking the designation for tax-exemption.
- f. The 501(c) designation status:**
- The 501(c) designation status permissible under HOME is:
- 9 501(c)(3) -- a charitable, nonprofit corporation;
 - 9 501(c)(4) -- a community or civic organization;
 - 9 Section 905 -- a subordinate organization of a 501(c) organization.
- g. IRS standards for granting a 501(c)(3):**
- Designation for housing development organizations are narrowly applied, lengthening the time it can take to receive a 501(c)(3) designations.
 - Designation can take 9 to 24 months.
 - The timeframe varies by IRS region.
- h. Conditional designation:**
- The IRS will usually grant new applicants a conditional designation of 501(c) status, valid for a specified period of time (usually three years.)

- During that period of time, the organizations may operate legally as 501(c) organizations, with all benefits pursuant to that designation, while the IRS monitors their operations.

i. Final designation:

Assuming the CHDO operates in compliance with applicable regulations during this period, the IRS will grant them final 501(c) designation.

NOTE: The City of Huntington Park requirement for a 501(c) designation can only be fulfilled by having a final designation from the IRS.

NOTE: Pending 501(c) Status Documentation that the CHDO has an application for 501(c) status pending at the IRS will not suffice to fulfill the nonprofit status requirement.

2. Organizational Structure

The City's requirement for a CHDOs organization structure is:

- a.** The structure of the board of directors of a CHDO is viewed as the main indicator of community control over the CHDO. With that, a CHDOs Board of Directors must be composed of the following:

- At least one-third must be representatives of the low-income community.
- No more than one-third may be public officials or employees of the City.
- The balance is unrestricted and may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise.
- There are also maximum limits on representation and control by a for-profit entity when the CHDO is sponsored by a for-profit entity.

- b.** Low-income community representation: As noted above, a minimum of one-third of the board must consist of representatives of the low-income community. There are three ways to meet this requirement:

- Residents of low-income neighborhoods in the community.
 - Low-income neighborhoods are defined as neighborhoods where 51 percent or more of the residents are low-income.
 - Residents of low-income neighborhoods on CHDO boards do not have to be low income themselves.

and/or

- Low-income residents of the community.
- In urban areas, "community" is not necessarily limited to a single neighborhood, but may include several neighborhoods, the city, county or metropolitan area.
- In rural areas, "community" may also cover a multi-county area (but not the whole state). The board need not include low-income residents from each county in the multi-county area.
- Low-income residents of low-income neighborhoods in the community do not need to submit proof of their income.

- If low-income residents of the community who do not live in low-income neighborhoods are necessary to meet this threshold, the CHDO must obtain a certification from the resident that the resident does qualify as low-income.
and/or
 - Elected representatives of low-income neighborhood organizations.
 - A low-income neighborhood organization is an organization composed primarily of residents of a low-income neighborhood.
 - The primary purpose of the organization must be to serve the interests of the neighborhood residents.
 - Block groups, town watch organizations, civic associations, neighborhood church groups, and NeighborWorks organizations can be examples of low-income neighborhood organizations.
 - The governing body of the low-income neighborhood organization may elect the representative(s) to serve on the CHDO board.
- c. Low-income input: Input from the low-income community is not met solely by having low-income representation on the board. The CHDO must meet the requirements as follows:
- The CHDO must also provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development, and management of the organization's by-laws or a board resolution.
 - This requirement is especially important for CHDOs serving a large geographic area, where it may not be possible for a CHDO to have low-income board representation from every neighborhood in which the CHDO will develop, own, or sponsor housing.
 - CHDOs should establish systems for community involvement in parts of their service areas where housing will be developed, but which are not represented on their boards. Such systems might include special committees of neighbors of a proposed development site, neighborhood advisory councils, or open town meetings.
- d. Public-sector limits: A maximum of one-third of the governing board may consist of representatives of the public sector
- e. This limitation is intended to ensure that separation exists between the City and CHDOs, and that CHDOs are indeed community-based and community-controlled organizations.
- A member of the governing board of a CHDO would be considered a representative of the public sector if he or she is a public official, including:
 - Elected officials of the City of Huntington Park- council members, aldermen, commissioners, state legislators, members of a school board, etc.
 - Appointed public officials- members of a board or State commission or of any other regulatory and/or advisory boards or commissions that are appointed by the State.

- Public employees of the City - all employees of public agencies (including the schools) or departments of the local government (e.g., a clerk in the water and sewer department, a public facility janitor or a secretary in the tax assessment office); or
 - Appointed by a City official - any individual who is not necessarily a public official, but who has been appointed by a City official to serve on the CHDO board
 - Members of the board appointed by public officials cannot select other members of the board.
- f. If the public official is low-income: Public officials and/or appointees who themselves are either low-income community residents or residents of a low-income neighborhood count against the one-third maximum limit of public sector representatives. However, they do not count toward the one-third minimum requirement of community representatives.
- g. Cities, public bodies, or instrumentalities: Cities, public bodies or instrumentalities of public bodies cannot be considered CHDOs. Examples of instrumentalities of public bodies include public housing authorities (PHAs), urban renewal agencies, redevelopment authorities, and downtown development authorities.
- The limits on public-sector representation on CHDO boards only serve to define CHDOs. There are other (not specific to HOME) restrictions on the participation of public officials on the boards of nonprofit organizations seeking public funds. The City should observe their conflict-of-interest guidelines in this regard as well.
- h. Sponsored CHDOs: Nonprofits that have been sponsored by other nonprofits, charities, religious organizations, local or state government, public agencies, or for-profit corporations may qualify as CHDOs, but certain additional requirements and board limitations can apply.
- i. Nonprofit and charity sponsors:
- There are no limits on the proportion of the board that may be appointed by nonprofit or charity sponsors, as long as the minimum one-third community representation is met and the maximum one-third public representation is not exceeded.
 - A one-year minimum history of service to the community by the sponsoring nonprofit or charity may help a new nonprofit to qualify as a CHDO.
- j. Religious organization sponsors:
- Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME Program. Government entities are not to discriminate against an organization on the basis of the organization's religious character or affiliation.
 - However, organizations directly funded under HOME may not engage in inherently religious activities. If the organization conducts such activities, they must be offered separately and participation must be voluntary for the beneficiaries of the assistance provided.

Additional guidance regarding religious or faith-based organizations is provided in 24 CFR 92.2.57 of the HOME final rule.

- k. Local, state government and public agency sponsors:
 - A local or state government and/or a public agency cannot qualify as a CHDO but may sponsor the creation of CHDOs.
 - Government officials and appointees of the government cannot exceed one-third of the members of the board.
 - All other CHDO rules and requirements also apply.
- l. For-profit corporate sponsors:
 - A CHDO cannot be controlled by, nor be under the direction of, for-profit entities or individuals seeking profit from the organization.
 - CHDOs may be sponsored or organized by a for-profit if:
 - The primary purpose of the for-profit sponsor is not the development or management of housing (that is, a builder, developer or real estate management firm may not spin off a CHDO);
 - The for-profit appoints no more than one-third of the CHDO's governing board and the board members appointed by the for-profit do not appoint the remaining members of the board; and
 - The CHDO is free to contract for goods and services from any vendors it selects.

3. Experience and Capacity

- a. CHDO experience: A CHDO must demonstrate that it has at least *one year* of experience serving the community where it intends to develop the HOME-assisted housing.
 - Newly created organizations wishing to become CHDOs can meet this requirement if the parent (or sponsoring) organization is a nonprofit and has provided services to the community for at least one year.
 - The year of service does not have to be directly related to housing.
 - Prior service to the community cannot consist of a for-profit organization's work in that community.
- b. CHDO capacity: A CHDO must demonstrate the capacity of their key staff to carry out the HOME-assisted activities they are planning. This means that CHDOs must have:
 - Experienced key staff who have successfully completed projects similar to those proposed by the CHDO; or
 - Key staff with limited or no experience, and who will use experienced consultants for the planning and development activities, as long as there is a plan in place for the consultant to train the key staff.
- c. Differences in required experience and capacity: There are significant differences in the type of experience and capacity that is required to carry out the variety of housing development activities eligible under the HOME program. Therefore, "experience in having completed similar projects" is different for development/management of rental housing and development/sale of housing for homebuyers.

- Because the purpose of the CHDO capacity requirement is to build staff expertise, CHDOs must have their own professional staffs. This means that the key staff required to demonstrate CHDO capacity cannot be:
 - ✓ Municipal, county or state employees; or
 - ✓ Consultants (paid or volunteer) not planning to train the CHDO's key staff.

4. Financial and Accounting Systems

a. Financial standards: CHDOs must have financial accountability standards that conform to 2 CFR Part 200, "Standards for Financial Management Systems."

- If a CHDO or nonprofit is in the role of a subrecipient, it must comply with certain provisions of 2 CFR Part 200 "Cost Principles for Non-Profit Organizations." Both publications are included in the appendices.
- If a CHDO is acting as an owner, sponsor, or developer of HUD HOME assisted housing, the requirements at 2 CFR Part 200, "Standards for Financial Management Systems" apply. This means the CHDO must relate financial data to performance data and develop unit cost information.

The systems include the following:

- Accurate, current, and complete financial results;
- Records that identify the sources and uses of the funds;
- Control over and accountability of all funds and assets;
- Comparison of actual expenditures against budgets;
- Written procedures to minimize time between the transfer of funds in and the payment of funds out;
- Written procedures for determining reasonableness, allocability, and allowability of costs; and
- Accounting records including cost accounting records supported by source documents.

b. Accounting systems: CHDOs/Nonprofits should establish accounting systems that include at a minimum the following reporting reports:

- A chart of accounts that includes:
 - ✓ The categories of accounts;
 - ✓ The name of the account;
 - ✓ The number of the account;
- Cash receipts journal that includes;
 - ✓ The date the funds were received listed in chronological order;
 - ✓ The amount received;
 - ✓ The source of the funds;
 - ✓ The purpose of the funds;
- Cash disbursements journal that includes;
 - ✓ The date funds were paid out listed in chronological order;
 - ✓ The date the expense was incurred;
 - ✓ The purpose of the expense;
 - ✓ The amount paid;

- ✓ To whom it was paid;
 - Payroll journal that includes;
 - ✓ A listing of employees;
 - ✓ Amounts paid to the employees;
 - ✓ Benefit expenses paid;
 - General ledger that includes;
 - ✓ A summary of all account activities listed in chronological order; and
 - ✓ The financial status of all the accounts of the organization.
- c. **Source documentation:** Costs charged against the HOME program must be supported by source documentation that shows that the costs were:
- Incurred during the effective period of the agreement;
 - Actually paid out;
 - Expended on eligible items and activities; and
 - Approved by the appropriate officials of the organization.

CHDO SET-ASIDE ROLES: OWNER, DEVELOPER, AND SPONSOR

The City of Huntington Park provides CHDO set-aside funds to CHDOs acting as owners, developers, and sponsors of projects that create new units of affordable housing in their communities. To qualify for the set-aside funds, the CHDO must have effective decision-making authority.

CHDO set-aside funds may be used by CHDOs for those HOME activities where the CHDO acts as the owner, developer, or sponsor of the housing.

1. **Owner:** The CHDO is an “owner” when it holds valid legal title to or has a long-term (99-year minimum) leasehold interest in a rental property. The CHDO may be an owner with one or more individuals, corporations, partnerships or other legal entities.
 - The CHDO may be the owner and developer of its own project.
 - The CHDO may own a property in partnership with either a majority or minority interest. However, the CHDO -- in partnership with a wholly owned for-profit or nonprofit subsidiary -- must be the managing general partner with effective control.
2. **Developer:** A CHDO is a “developer” when it either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project.
 - a. If the CHDO owns the property, it must obtain financing and rehabilitate or construct the project.
 - For HOME-assisted rental housing: At project completion, the CHDO may maintain ownership and manage the project over the long-term, or it may transfer the project to another entity for long-term ownership and management.
 - For HOME-assisted homebuyer project: The CHDO transfers title of the property and the HOME obligations to an eligible homebuyer within a specified timeframe of project completion.

- b. If the CHDO does not own the property, it must be under a contractual obligation with the owner to obtain financing and rehabilitate or construct the project. Under this scenario, the CHDO assumes all of the risks and rewards associated with being the **most** detail the CHDO's specific obligations.
 - For HOME-assisted rental housing: The CHDO may, at project completion, manage the project for the owner.
 - For homebuyer housing: The owner must transfer title of the property and the HOME obligations to eligible homebuyers within a specified timeframe of project completion.
 - c. If the CHDO develops the property for an owner pursuant to a written or other agreement with the City, the CHDO is acting in the capacity of a subrecipient.
- 3. Sponsor:** A CHDO is a "sponsor" for HOME-assisted rental or homebuyer housing according to the circumstances outlined below.
- For HOME-assisted rental housing: The CHDO develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. The conveyance may take place prior to, during, or upon completion of the development phase.
 - The HOME funds are invested in the project owned by the CHDO sponsor.
 - The CHDO sponsor identifies the particular nonprofit organization that will obtain ownership of the property prior to commitment of HOME funds.
 - The other nonprofit will assume from the CHDO at a specified time all HOME obligations (including repayment of loans and tenant and rent requirements) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor will remain liable for the HOME obligations.
 - The other nonprofit organization must be financially and legally separate from the CHDO sponsor. (The second nonprofit may have been created by the CHDO; nevertheless, it is a separate entity from the CHDO.)
 - The CHDO sponsor must provide sufficient resources to the nonprofit organization to ensure the completion of development and long-term operation of the project.
- 4. Similar roles:** The developer and sponsor roles are similar in many ways.
- In both the developer and sponsor roles, the CHDO carries out some or all of the principal project development activities -- such as acquisition, financing, construction management and putting together a capable development team -- to bring project from conception to completion.
 - However, as developer, the CHDO need not own the property.
 - As sponsor, the CHDO must own the property and shift the responsibility from the CHDO to another specific nonprofit at some specified time in the development process. Transfer could occur, for example, at:
 - Initiation of the construction;
 - Completion of the construction; or
 - Issuance of the certificate of occupancy.

The HOME long-term affordability requirements for the project are the responsibility of the owner or subsequent owners of the property.

5. CHDOs vs. Subrecipients

A community-based nonprofit organization may meet all of the regulatory requirements to be designated as a CHDO. However, in order for CHDO activities to count toward the CHDO set-aside, the CHDO must be the developer, sponsor and/or owner of the HOME-assisted housing.

6. CHDO as a Subrecipient:

CHDOs may play the role of a "subrecipient" undertaking all other HOME-eligible activities, even if these activities do not count toward the CHDO set-aside.

- A HOME subrecipient is an entity selected by the City to administer aspects of a HOME program (that is, screen projects, market activities, review and certify tenant income, counsel potential homebuyers) or an entire HOME activity (review requests for HOME funds for the rental housing production set-aside.).
 - Restrictions: When a CHDO is acting in the capacity of a HOME subrecipient, it may not also receive HOME funds to develop, sponsor or own housing funded through the subrecipient activity the CHDO administers. Doing so would constitute a conflict-of-interest for the CHDO.

CHDO ELIGIBLE USES

With the City of Huntington Park approval, CHDOs may use HOME funds for **all** eligible HOME activities. However, only certain types of activities count toward the minimum 15 percent set-aside.

1. Eligible Uses:

Eligible set-aside activities include the following when carried out by a CHDO acting as an **owner, developer or sponsor:**

- a. Acquisition and/or rehabilitation of rental housing;
- b. New construction of rental housing;
- c. Acquisition and/or rehabilitation of homebuyer properties;
- d. New construction of homebuyer properties; and
- e. Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

2. Ineligible Uses:

The following activities are ineligible set-aside activities, but may be carried out by the CHDO as a **subrecipient:**

- a. Tenant-based rental assistance (TBRA);
- b. Homeowner rehabilitation; and
- c. Brokering or other real estate transaction.

CHDO SPECIAL ASSISTANCE

The City of Huntington Park **may** use HOME funds to provide special assistance to CHDOs that Include:

1. Project pre-development loans;
2. Use of HOME project proceeds; and
3. Capacity-building assistance.

NOTE: In contrast to the 15 percent set-aside, which is mandated, the City has total discretion over whether to provide these special forms of assistance.

1. **Project Pre-development:** The City of Huntington Park **may** set-aside a portion of CHDO set-aside funds to be provided to the CHDO for project-specific pre-development assistance (see Part II: Program and Design).
 - The project specific pre-development assistance is intended to assure that CHDOs have access to funds for up-front, eligible project expenditures. This assistance provides a form of project feasibility "line of credit" that many nonprofit developers need, but often have difficulty obtaining from private sources.
 - All costs must be related to a specific project which, if deemed feasible, would receive HOME funds for development.
 - Project pre-development costs may not exceed customary and reasonable project preparation costs.
2. **Types of pre-development assistance:** The two primary types of project pre-development assistance are:
 - Technical assistance and site control loans, and
 - Seed money loans.

PART 2: PROGRAM DESIGN AND IMPLEMENTATION

This section discusses the City's CHDO program design and implementation procedures.

PROCEDURES (GENERAL)

1. City of Huntington Park CHDO applicants must request a specific amount, not to exceed \$80,000, in the Project Application.
2. All pre-development loans must be repaid or rolled over into the permanent subsidy at on construction close.

OPERATING ASSISTANCE

1. The City of Huntington Park permits CHDO proceeds and pre-development loans, but does not provide CHDO operating expenses.
2. Applicants requesting pre-development loans must complete both the CHDO Pre-Application and the Project Application as defined below before a loan can be considered or authorized.

ELIGIBILITY DETERMINATION

1. Once the CHDO candidates are identified, the City of Huntington Park will determine whether organizations meet the CHDO qualifications outlined in the HOME regulations.

- a. **Eligible Applicant**

- The only eligible applicant for the city's HOME CHDO Program is a Community Housing Development Organization ("CHDO") as defined by the HOME Investment Partnership Act and the regulations adopted by the US Department of Housing and Urban Development (HUD") is a private nonprofit, community-based organization that meets the definition at 24 CFR 92.2. The governing law and regulations may be found at 24 CFR 92.2 and 92.300-303, and in CPD Notice 97-11, CPD Notice 97-09, and HUD CPD Notice 96-09.
- To assist the City of Huntington Park in determining the qualifications and capacity of a CHDO organization the City designed a CHDO Determination Worksheet (see Exhibit 2). The worksheet is designed to assist the City in processing a CHDO application in the minimum time necessary. Each section is a table which can be filled out and the table will adjust to the length of the CHDO's response.
- This document is available on the City's website at www.hpca.gov. The CHDO must save this document as (Acronym of the CHDO) CHDO Application. Any questions regarding the CHDO Determination Worksheet should be directed to *insert staff contact*.

CHDO CAPABILITY

Once an organization has been determined eligible as a CHDO, the City of Huntington Park will establish whether the CHDO is actually capable of carrying out the responsibilities of a CHDO by assessing the CHDOs capacity. Determining the CHDOs capacity assists the City to determine which organization(s) are qualified and capable of carrying out CHDO-eligible activities, and which ones need to make changes or build capacity to quality.

TYPES OF PROJECTS

The City permits CHDOs to bring any type of project which is an eligible CHDO activity as follows:

- Acquisition and/or rehabilitation of rental housing;
- New construction of rental housing;
- Acquisition and rehabilitation of homebuyer properties for resale to eligible, qualified buyers;
- New construction of homebuyer properties for sale to eligible, qualified buyers; and
- Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

The City permits CHDO proceeds and pre-development loans, but does not provide CHDO operation expenses. Applicants requesting a pre-development loan must complete both

the CHDO Pre-Application and the Project Application as defined below before a loan can be considered or authorized.

APPLICATION PERIOD

The City of Huntington Park welcomes applicants for CHDO status at any time during the calendar year.

PRE-APPLICATION FOR CHDO STATUS

1. The City of Huntington Park pre-application process procedures require the applicant to meet ALL the requirements of being a CHDO as defined by the "CHDO Determination Worksheet" provided by the City.
2. All documentation necessary for meeting the requirements contained in the CHDO Determination Worksheet must accompany the pre-application form. The documents necessary for determination include:
 - The CHDO Determination Worksheet;
 - A copy of the Articles of Incorporation;
 - A copy of the By-Laws;
 - A copy of the Conflict-of-Interest Policy;
 - Any applicable signed Board Minutes or resolutions required by the CHDO Determination Worksheet;
 - A Board Form for each Board member, signed and dated by the Board member.
 - A current financial statement and the most recent annual audit; and
 - A statement of the applicant's capacity to undertake a project of the scope and size proposed;
 - Including staff resumes
3. The City will review the application for compliance, completeness, and capacity.
4. The Pre-Application Process results in Pre-Qualification letter from the City HOME Program Administrator to the CHDO advising the CHDO to submit a qualifying CHDO project within 180 days of the date of the Pre-Qualification letter.
5. The City certifies CHDO's only at the point where the CHDO has an approved City CHDO project.
6. Completion of the pre-application process for CHDO status does not guarantee funding by the City.
7. In the event any of the items contained in the CHDO Determination Worksheet change between the time of the Pre-Qualification letter and the submission of a CHDO project, the CHDO must notify the City in writing of the change (at the time of project application) and provide the documentation necessary to assess whether the CHDO remains compliant with the CHDO requirements; -.

8. Changes in the Board of Directors require the CHDO submit the Board Form for any new Board member, and identify any Board members who have left the CHDO at the time of project application and again at the HOME closing.

RECAPTURED AND RESALE FUNDS

As discussed in the City's Annual Action Plan, the following requirements relate to *CHDOs only*. *This requiring is not required for rental or homebuyer programs.*

RECAPTURED FUNDS

Recapture is defined as the recovery of HOME funds upon the sale or transfer, rental or lease, refinancing, or the Borrower(s) no longer being a physical occupant of the property.

GENERAL PROVISIONS

- a. Any amount repaid as a result of a homebuyer property being sold within the affordability period.
- b. The recaptured provisions must be stated in written agreements between Recipients and the income of any eligible homebuyers.
- c. Recaptured funds are a return of the original HOME investment and are technically not program income.
- d. Therefore, unlike program income, 10 percent of recaptured funds **cannot** be used for planning and administrative costs and must be returned to the City.

PROCEDURE

- a. The City of Huntington Park will impose HOME recapture provisions on any property sold by a Community Housing Development Organization (CHDO) to a homebuyer when the City provides a direct subsidy for down payment and or closing costs to the homebuyer.
- b. The balance of the loan shall be due and payable upon sale or transfer, rental or lease, refinancing, or the Borrower(s) no longer being a physical occupant of the property.
- c. This recapture provision shall remain in force from the date the legal documents are executed at loan closing until the expiration of the affordability period.
- d. Net Proceeds from Sale for the purpose of Recapture are defined as follows:
 - i. Sales Price
 - ii. Less Seller's Closing Costs
 - iii. Less First Mortgage Balance
 - iv. Less documented Capital Improvements in excess of \$500
 - v. Less Down payment and closing costs paid from the Homebuyer's cash at purchase.
 - vi. Equals Net Proceeds from Sale
- e. The City shall recapture from the net proceeds from sale, the remaining Development, and/or Homebuyer direct subsidy and return the recaptured funds to the HOME Investment Trust.

- f. Funds remaining after Recapture shall accrue to the Homebuyer.
- g. If there are no Net Proceeds from Sale, then the City shall forgive the remaining balance of the loan.

RESALE PROVISIONS

GENERAL PROVISION

- a. The City of Huntington Park will impose HOME resale provisions on any property sold by a Community Housing Development Organization (CHDO) or any other entity receiving a HOME development subsidy from the City to a homebuyer when the City does not provide a direct subsidy for down payment and or closing costs to the homebuyer.
- b. Resale is defined as the recovery of HOME funds upon the sale or transfer, rental or lease, refinancing, or the homebuyer(s) no longer being a physical occupant(s) of the property:
 - In instances where the home has been rented or leased, refinanced, or the Borrower(s) are no longer are physical occupant(s) of the property the total outstanding balance of the HOME loan shall be immediately due and payable to the City;
 - In instances where the Homebuyer's home is sold to a qualified low-income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force;

PROCEDURE

- The resale provision shall remain in force from the date the legal documents are executed at loan closing until the expiration of the affordability period defined in the Written Agreement between the City and the homebuyer(s).
- Resale requires the homeowner to sell the home to a low-income family and at an affordable price as defined below:
 - A low-income family is defined as a family whose income at the time of purchase from the homebuyer is no greater than 80% of the area median income as defined by HUD under the Part V income definition.
- The contract for sale of the home must include a provision requiring the family acquiring the home to be qualified by the City prior to acquiring the property.
- The affordable sales price of the HOME assisted property shall be determined as follows:
- The City shall determine 80% of area median income (AMI) for:
 - A family of two (2) if the unit is a one (1) bedroom unit
 - A family of three (3) if the unit is a two (2) bedroom unit
 - A family of four (4) if the unit is a three (3) bedroom unit
 - A family of six(6) if the unit is a four (4) bedroom unit

- The applicable AMI shall be multiplied by twenty-five percent (25%) to determine the annual housing expense ("HE") and divided by twelve (12) to determine the monthly HE.
- The mortgage interest rate shall be the average fixed rate, thirty (30) year mortgage interest rate as published by the Federal Housing Administration (FHA) at the time of determination.
- The term shall be thirty (30) years.
- The present value of an affordable mortgage shall be calculated utilizing the monthly HE, the determined interest rate, and the term.
- The present value shall be divided by 95 and multiplied by 100. The result shall be the affordable sales price.
- The homeowner must list the property at or below the City determined affordable price.

FAIR- RETURN AND APPRECIATED VALUE [24 CFR 92.254(a)(5)(i)]

- Determination of Fair Return
 - Fair Return shall be the sum of:
 - Down payment and closing costs paid from the buyer's cash at purchase.
 - Seller's (homeowner's) closing costs at sale.
 - Principal payments only made by the buyer in excess of the amount required by the loan.
 - Documented capital improvements in excess of \$500.
- Fair Return is paid to the buyer at sale once first mortgage debt is paid and all other conditions of this agreement are met.
 - In the event there are no funds for fair return, then fair return does not exist.
 - In the event there are partial funds for fair return, then fair return shall remain in force.
- Appreciated value is :
 - The Affordable Sales Price
 - Less first mortgage debt
 - Less Fair Return
 - Equals appreciated value.
 - If appreciated value is zero, or less than zero, then no appreciated value exists.
- Appreciated Value is shared with the homebuyer based on the City's initial investment of HOME funds as follows:
 - The homeowner's initial investment of down payment and closing costs divided by the City of HOME investment equals the percentage of appreciated value that shall be paid to the homeowner.
 - The balance of appreciated value shall be paid to the City.

CHDO DETERMINATION WORKSHEET

The CHDO Determination Worksheet is designed to assist the City in processing your CHDO application in the minimum time necessary. Each section is a table which can be filled out and will adjust to the length of the CHDOS response. Please remember to save this document as (Acronym of the CHDO) CHDO Application.

EXHIBIT 2 CHDO DETERMINATION WORKSHEET APPLICANT INFORMATION	
Applicant Name	
Applicant Address	
City/ State/ Zip	
Contact Person	
Office Phone	
Cell Phone	
E-mail	
BOARD OF DIRECTORS LIST	
CHAIR NAME	
Home Address	
City/State	
Telephone	
PRESIDENT NAME	
Home Address	
City/State	
Telephone	
VICE-PRESIDENT NAME	
Home Address	
City/State	
Telephone	
TREASURER NAME	
Home Address	
City/State	
Telephone	
SECRETARY NAME	
Home Address	
City/State	
Telephone	
BOARD MEMBER NAME	
Home Address	
City/State	
Telephone	

BOARD MEMBER NAME	
Home Address	
City/State	
Telephone	
BOARD MEMBER NAME	
Home Address	
City/State	
Telephone	

CHDO CHECKLIST

The information contained in the CHDO Checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, 92.2 of the HOME Rule.

- The City of Huntington Park requires the CHDO to fill the Checklist out completely stating where the response to each requirement may be found in the accompanying documentation.

EXHIBIT 3 CHDO CHECKLIST	
I. LEGAL STATUS	
A. The nonprofit organization is organized under State or local laws, as evidenced by either Charter (Articles of Incorporation) or By-Laws	
B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:	
C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986, as evidenced by a 501(c)(3) or (4) Certificate from the IRS. OR Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by a group exemption letter from the IRS that includes the CHDO.	
D. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:	
II. CAPACITY	
A. Conforms to the financial accountability standards of 2 CFR Part 200, "Standards for Financial Management Systems", as evidenced by a notarized statement by either the president or chief financial officer of the organization; OR a certification from a Certified Public Accountant, OR a HUD approved audit summary.	

B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by either resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.	
C. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by either a statement that documents at least one year of experience in serving the community, OR for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community. The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.	
D. A defined service area which includes or overlaps the City of Huntington Park as evidenced by: A resolution of the Board of Directors; the Charter, or the By-Laws	
E. A current financial statement of the CHDO	
III. ORGANIZATIONAL STRUCTURE	
A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the Organization's By-Laws, Charter, OR Articles of Incorporation.	
B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by: the organization's By-laws, a resolution of the Board of Directors, OR a written statement of operating procedures approved by the governing body.	
C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more	

than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the PJ), as evidenced by the organization's: By-laws, Charter, OR Articles of Incorporation.	
D. LOCAL REQUIREMENT: A Board Information Form must be submitted for each Board member	
E. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's: By-laws, Charter, OR Articles of Incorporation.	
IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES	
A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by the organization's By-laws, OR a Memorandum of Understanding (MOU).	
B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however: (1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced in the for-profit organization's By-laws	
(2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's By-laws, Charter, OR Articles of Incorporation	
V. OTHER FEDERAL REQUIREMENTS	
(1) Has a conflict of interest policy for Board of Directors and Staff that meets the requirements of 24 CFR Part 92.356 of the HOME Regulations	

PROJECT APPLICATION

Once the City has provided the CHDO with a Pre-Qualification letter, the CHDO applicant **must** submit a viable, compliant CHDO project to the City within **180 days**.

PROJECTS

The following describes the required submissions for various types' of projects allowed by the City:

Single Family

Single Family program applicants are required to submit a complete program description that Defines:

1. The buyer(s) to be served;

- By family size and household income
- 2. The type of program activity:
 - Acquisition/Rehabilitation/Sale
 - New Construction
 - Other
- 3. The project timeframe and timeline
- 4. The total project cost
 - Including all Sources and Uses
- 5. The total subsidy per buyer
- The City does not offer a separate down payment and closing costs assistance program. The applicant must define what portion of the funds requested will be a development subsidy and what portion of the subsidy will be down payment and closing cost assistance to the buyer.

Multifamily

Multifamily program applicants are required to submit a site-specific project, including:

1. A development and operating pro forma.
2. The type of program activity:
 - Acquisition/Operation
 - Acquisition/Rehabilitation/Operation
 - New Construction
 - Special Needs
3. The project timeframe and timeline.
4. The total project cost:
 - Including all Sources and Uses for the development.
 - The total HOME subsidy requested.
5. An operating pro forma showing all income and expenses for the entire HOME required compliance period:
 - Rents must be compliant with the HUD allowable rents for the Los Angeles MSA.
 - Escalation rates must be 5 percent for expenses and 3 percent for income.
 - The project must have a positive cash flow for the entire HOME compliance period.

CHDO PROCEEDS

CHDO Proceeds result from the sale of a single family or multifamily property financed by the City through the HOME program. Proceeds include both HOME funds and any other funds from any source which are realized by the sale of property assisted in any form or fashion with HOME funds.

1. In single family sales, the total HOME funds provided by the City to the CHDO for any specific project under the HOME contract, less the actual expenses for the project, the buyer's down payment, the buyer's contribution, and any non-HOME or non-CDBG mortgages are defined as CHDO Proceeds, or Proceeds.

2. In multifamily sales, the total HOME funds provided by the City to the CHDO for any specific project under the HOME contract, less the actual expenses of the project, the buyer's down payment, the buyer's contribution, and any non-HOME or non-CDBG mortgages are defined as CHDO Proceeds, or Proceeds.

3. Allowable Uses of CHDO Proceeds:

An eligible activity defined by either the HOME program regulations or this agreement that directly supports the creation of affordable housing in our community shall be collectively known as an "allowable use". Allowable uses are further defined and limited by this agreement as follows:

- Any eligible use of HOME funds, as defined in 24 CFR Parts 91 and 92 of the Final HOME Rule shall be an allowable use under this contract, so long as the allowable use results in or supports the creation of new units of affordable single family housing for purchase by HOME qualified buyers or for rent by HOME qualified tenants

4. Prohibited Uses

- Proceeds may not be used to fund, finance or pay for a loan counseling, debt counseling or homebuyer counseling programs or efforts as long as the City provides funding to any other organization or entity to provide these services.
- Proceeds may not be used to fund any operating reserves of the CHDO.
- Proceeds may not be utilized to make repairs, reconstruct, or rebuild any unit previously financed with HOME funds without the express written permission of the City.

5. Governing Law and Regulation

- Final HOME Rule: 24 CFR Parts 91 and 92;
- CPD Notice 97-9; and
- The City's Contract with the CHDO

6. Accounting for Proceeds

- The CHDO shall retain proceeds in a separate bank account and shall provide an accounting of the use of proceeds to the City on a quarterly basis.
- The accounting shall designate the project and show the flow of funds into and out of the project account until all funds in the account are expended in accordance with the CHDO Contract and the CHDO Proceeds Addendum
- To facilitate proper accounting for the proceeds, the CHDO shall utilize the spreadsheet designated by the City and included here by reference.
- The auditor of the CHDO shall, at each annual audit, review the CHDO proceeds account of the CHDO and shall include in the annual audit specific language stating whether or not the CHDO has complied with the terms of the CHDO Proceeds Addendum to the Contract between the City and the CHDO.

7. Allocation and Use of Proceeds

- Under the CHDO's contract with the City, the City provides the CHDO with a development subsidy to assist in the development of either multifamily or single family housing within the City;
- The development subsidy is expended by the CHDO;

- Proceeds are realized upon the sale of the completed property to a qualified buyer as defined by the City's contract with the CHDO.
 - Proceeds are realized on the date of the close of the property to the end owner.
 - At the close of each project which yields proceeds to the CHDO, the CHDO shall allocate proceeds as follows:
 - If proceeds are less than \$5,000, then all proceeds from the associated property account shall be allocated by the CHDO to the general administration (salaries, benefits and/or administrative costs) of the CHDO for the support of the development of affordable housing.
 - If proceeds are more than \$5,000, then:
 - a. Ten percent (10 percent) of proceeds shall be immediately allocated to the general administration (salaries, benefits and/or administrative costs) of the CHDO for the support of the development of affordable housing;
 - b. Ninety percent (90 percent) of proceeds shall be allocated to land acquisition, site development, and/or construction financing.
 - c. Each subsequent return of proceeds shall follow the same methodology until the proceeds are less than \$5,000, at which time the proceeds account for the project shall be closed.
 - To facilitate the quick rollover and expenditure of proceeds, the CHDO will invest proceeds in the next available project as soon as the proceeds are realized, and before a request for additional funds for development activity from the City.
8. Draw Requests
- Requests to the City for disbursement of funds for land acquisition, site development and/or construction financing on any subsequent project under this contract, shall include the following:
 - The full amount of the requested disbursement;
 - The amount drawn from proceeds.
 - Including the project name or names, the amount is drawn from.
 - The net amount of the requested disbursement.
9. CHDO proceeds must be specifically requested in the CHDO's Project Application.
10. The City of Huntington Park **will not** assign staff to a CHDO on either a full or a part-time basis in order to fulfill the CHDOs capacity requirement.
11. Allow CHDOs pay the City of Huntington Park for any technical assistance and/or training that the City provides.

CHDO CERTIFICATION

CHDO Certification/Recertification Requirements:

Certified CHDOs or organizations that wish to be certified as a City of Huntington Park CHDO **must** use the City's application to apply for certification. Certified CHDOs must be **re-certified** on an annual basis, providing all documentation required for initial certification is up to date and accurate. Agencies meeting the CHDO certification requirements as indicated in the

CHDO section of these operating procedures will be recommended by the City of Huntington Park staff for certification.

A City of Huntington Park CHDO seeking recertification or an agency seeking certification as a City of Huntington Park CHDO must **currently** demonstrate **capacity** to carry out HOME assisted activities either with:

a. Experienced staff who have successfully completed similar projects, that draws a distinction between development, management of rental housing and development, sale of housing for first-time homebuyers,

OR

b. Key staff with limited or no experience who will utilize experienced consultants (if consultants are in charge of development, there must be a written plan submitted yearly to the City of Huntington Park indicating how the consultant will train key staff during that funded year).

MONITORING

The City of Huntington Park will monitor the performance of the CHDO to assist the City to identify:

- Strengths and weaknesses in CHDO operations and the support systems necessary for CHDOs to operate and for the HOME program to succeed.
- Identifying what needs to be changed, and for securing the appropriate technical assistance and training needed to do so.
- Determining the level, type, and areas of need will vary from CHDO to CHDO, and, within CHDOs, from year to year.

Monitoring CHDO performance will include a review of the following factors:

1. Compliance with HOME requirements;
2. a risk assessment of the CHDO;
3. Completion of funded projects;
4. Timeliness and ability to complete projects within established budget parameters;
5. Human resources;
6. Adequate financial resources;
7. Ability to leverage other resources;
8. Adequate financial systems;
9. Board operations;
10. Strategic plans;
11. Organizational work plans;
12. Record-keeping;
13. Compliance with HOME targeting requirements; and
14. Board composition and operations.

MONITORING PROCEDURE:

1. The City will issue a letter ninety (90) days in advance of monitoring specifying a set of files, policies, procedures, and accounts the City will require the CHDO deliver to the City on a date certain;
 - Each year, within 120 days of the close of the CHDO's fiscal year, the CHDO shall deliver an audit by a certified public accountant to the City;
 - The audit shall contain the CHDO Proceeds provision noted under accounting, if applicable;
2. After the CHDO has submitted the required documents the City will conduct a desk review to insure compliance with the HOME and local requirements;
3. Upon completion of the desk review the City will establish a mutually acceptable date for the on-site monitoring;
4. The City will specify, at its' sole discretion, the items the City will review on-site.
5. The City will conduct on the on-site monitoring.
6. Within thirty (30) days of the on-site monitoring, the City will issue a Monitoring Report delineating any deficiencies found;
7. The CHDO shall have thirty (30) days to address or correct those deficiencies identified in the monitoring report.

DEFAULT

Any of the following conditions shall result in default by the CHDO:

1. Failure by the CHDO to deliver the audit within the prescribed period;
2. Failure by the CHDO to submit the required quarterly reports;
3. Failure by the CHDO to segregate the CHDO Proceeds in a separate account, or to properly account for the Proceeds to the standard provided by this agreement (if applicable);
4. Failure by the CHDO to meet the development or program benchmarks contained in the City's Contract with the CHDO.
5. Any action of the staff or Board of Directors which violates the laws and regulations of the United States; the laws and regulations of the State of California; and/or the laws and regulations of the City.

NOTE: If the CHDO defaults as defined herein, the City, may, at the City's sole discretion, end or suspend the Contract between the City and the CHDO.

CHAPTER 4: HOMEOWNER REHABILITATION ACTIVITIES

This chapter describes how HOME funds may be used to assist owners in the rehabilitation of owner-occupied housing. Eligible activities, forms of assistance and property types are covered in this chapter.

This chapter is divided into two parts: General HOME Program requirements, and the City of Huntington Park program design and implementation procedures focusing on how to determine 95 percent of median value, as well as subsidy type, and selection.

NOTE: City Staff are recommended to take training course titled Building HOME: Homeowner Rehabilitation Programs on HUD Exchange prior to implementing Homeowner Rehabilitation Activities.

PART 1: HOME PROGRAM REQUIREMENTS (GENERAL)

General HOME Program requirements include; eligible homeowner rehabilitation activities, applicant eligibility requirements, forms of financial assistance, and property standards and value.

ELIGIBLE ACTIVITIES

HOME funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.

Whenever HOME funds are used for rehabilitation, the work must be performed according to the City's written rehabilitation standards and the unit(s) must be brought up to the applicable state or local code. If a state or local code does not exist, the unit may be brought up to the standards of the national model codes.

This means that the City may **not** undertake some forms of special purpose homeowner repair programs, such as:

1. Weatherization programs;
2. Emergency repair programs; or
3. Handicapped accessibility programs.

However, these types of programs may be undertaken, if the property meets or will be brought up to the applicable HOME property standards.

- The City's HOME funds will be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.
- HOME funds that are used for rehabilitation must be performed according to the City's written rehabilitation standards and the unit must be brought up to the applicable state or local code.

ELIGIBLE COSTS

The funds are available for the cost of improvements that are physically attached and permanent in nature within the following scope of work:

- Appropriate remediation of Lead Based Paint as required;

- The correction of all code violations to the City Code;
- The correction of any deficiencies to meet the City's Rehabilitation Standard;
- The correction of incipient code violations.
 - An incipient code violation is defined as a condition that is likely to occur within the first ten years of the loan term. For example, a fifteen (15) year old roof will need to be replaced in year five (5) of the loan term and is therefore an incipient code violation.
- The addition of disability features to a property currently occupied by a disabled person or persons; and
- Improvements to the overall energy efficiency of the property.

EXHIBIT 4
HOME-ELIGIBLE HOMEOWNER REHABILITATION COSTS

HARD COSTS

- Meeting the rehabilitation standards
- Meeting applicable codes, standards and ordinances
- Essential improvements
- Energy-related improvements
- Lead-based paint hazard reduction*
- Accessibility for disabled persons
- Repair or replacement of major housing systems
- Incipient repairs and general property improvements of a non-luxury nature
- Site improvements and utility connections

**Note: Lead hazard reduction costs are not counted as hard costs for the purposes of determining the level of assistance under 24 CFR Part 35 (the Lead Safe Housing Rule).*

SOFT COSTS

- Financing fees
- Credit reports
- Title binders and insurance
- Recordation fees, transaction taxes
- Legal and accounting fees
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Project costs incurred by the PJ that are directly related to a specific project
- Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable

INELIGIBLE COSTS

- The repair, purchase or installation of appliances that are designed and manufactured to be freestanding;
- The repair, purchase, or installation of recreational items such as barbecues, bathhouses, greenhouses, swimming pools, saunas, television antennae, tennis courts;

- The repair, purchase, or installation of luxury items such as burglar alarms, burglar protection bars, dumbwaiters, kennels, murals, ceiling fans, flower boxes, awnings, patios, decks and storage sheds/workshops; and
- The repair, purchase, or installation of other items deemed ineligible by the Director of Planning and Community Development or his designated representative.
- The relocation of family members during rehabilitation of the property.

FORMS OF FINANCIAL ASSISTANCE

The City of Huntington Park may structure HOME assistance for owner-occupied rehabilitation using any forms of assistance:

- Grants;
- Deferred-payment loans;
- Non-interest-bearing loans; and
- Interest-bearing loans.

There are several other less common forms of financial assistance that may be used in homeowner rehabilitation programs. These forms include interest subsidies and loan guarantees. Both methods enable the City to use small amounts of HOME funds to leverage private money for rehabilitation. They include:

- Interest subsidies: Interest subsidies, also referred to as interest reduction grants or interest rate buydowns, are similar to principal reduction grants or loans except that the HOME funds are used to "buy down" the interest rate to an affordable level. In this case, the HOME subsidy is paid directly to the lender and not provided to the homeowner.
- Loan guarantees: Loan guarantees are another way to leverage HOME funds for homeowner rehabilitation. A loan guarantee could be used as a credit enhancement when a borrower otherwise eligible for a private loan is denied because of a real or perceived risk factor. In these cases, the City could provide a loan guarantee that would ensure payment, thus making an otherwise risky loan acceptable to a private lender.

SUBSIDY LIMITS

1. **Minimum HOME investment:** The minimum amount of HOME funds is an average of \$1,000, multiplied by the number of HOME-assisted units in the project.
 - The minimum **only** relates to the HOME funds, and **not** to any other funds that might be used for project costs.
2. **Maximum HOME investment:** The maximum per-unit HOME subsidy limit varies by PJ. HUD determines the maximum amounts, which are based on the City's Section 221(d)(3) program limits for the metropolitan area, each year. An economist in a local HUD field office can provide these limits.
 - The maximum per-unit subsidy limit is:

- 100 percent of the dollar limits for a Section 221(d)(3) nonprofit sponsor, elevator-type development, indexed for base city high-cost areas, and adjusted for the number of bedrooms.
- In some instances, the 221(d)(3) limit has already been increased to 210 percent of the base limit. If this is the case, HUD will allow, *upon request*, an increase in the per-unit subsidy amount on a program-wide basis. However, the absolute maximum subsidy limit that HUD will allow is 240 percent of the base 221(d)(3) limits.

THE PROPERTY

Eligible Property Types

- To be eligible for HOME assistance, a property must be:
 - Occupied by an income-eligible homeowner; and
 - The owner's principal residence.
- The following property types may be included under the program:
 - Traditional single-family housing that is owned fee simple (this housing may contain one to four dwelling units);
 - A condominium unit;
 - A cooperative unit or unit in a mutual housing project (if state law recognizes these as forms of homeownership); or
 - A manufactured home, including a mobile home.
- If HOME funds are used to assist the rental units in a two- to-four-unit residence, the HOME rental requirements apply --including provisions regarding tenant occupancy, initial rent levels, and long-term affordability.
- If HOME funds are used to rehabilitate only the owner-occupied unit in a two- to-four-unit residence, the rental housing rules do not apply.

Maximum Property Value

To use HOME funds, the value of the HOME assisted property ***after rehabilitation*** must not exceed 95 percent of the median purchase price for the area, as published by HUD, or, in accordance with the Final Rule, as determined locally through market analysis.

Determining after-rehabilitation value: To establish project eligibility, after-rehabilitation value must be established prior to any work being performed. The after-rehabilitation value may be established by one or more of the following methods:

- Estimates of value: Estimates of value by the City or subrecipient may be used. Project files must contain the estimate of value and document the basis for the value estimates.
- Appraisals: Appraisals, whether prepared by a licensed fee appraiser or by a staff appraiser of the City, may be used. Project files must document the appraised value and the appraisal approach used.

- **Tax assessments:** Tax assessments for a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value *if* the assessment is current and accurately reflects market value *after* rehabilitation.

Determining the 95 Percent of Median Purchase Price Limit

The Final Rule offers the City two options for determining the 95 percent of median purchase price limit for owner-occupied single-family housing.

The City may either perform a:

- A local market survey, or
- Use the figures published by FHA for its 203(b) program. (The national cap established by the 203(b) program does not apply.)

Property Standards

As with all HOME-assisted properties, properties that are rehabilitated with HOME funds must meet certain standards.

The City is required to have written rehabilitation standards describing the methods and materials to be used when performing rehabilitation. All HOME-assisted rehabilitation projects must meet the City's written rehabilitation standards.

THE APPLICANT/BENEFICIARY

Principal residence:

Loan documents or other forms of written agreement between the purchaser and the City must incorporate this requirement. Forms include:

- Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- Maintains an equivalent form of ownership approved by HUD.
- Life estates and land contracts/ contracts for deeds are not approved by HUD as

LONG TERM AFFORDABILITY

There are no long-term affordability or occupancy requirements associated with rehabilitation assistance to owner-occupants. However, the City *may* choose to impose such requirements.

OTHER FEDERAL REQUIREMENTS

Exhibit 5 identifies the other federal requirements that must be followed when HOME is used for rehabilitation of homeowner properties, while Exhibit 6 identifies rules on how to document a homeowner rehabilitation program. These exhibits are meant to serve as checklists only.

EXHIBIT 5
OTHER FEDERAL REQUIREMENTS

Non-Discrimination and Equal Access Rules

Other Federal Requirements	Applicable?	Special/Issues/Considerations	Regulatory Citations and References
Fair Housing and Equal Opportunity	Yes. Must affirmatively further Fair Housing.		• 92.202 and 92.250 • Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) • Fair Housing Act (42 U.S.C. 3601-3620) • Executive Order 11063 (amended by Executive Order 12259) • Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) • 24 CFR 5.105(a)
Affirmative Marketing	N		• 92.251
Handicapped Accessibility	No. (Note: Accessibility improvements are eligible costs.)		• Section 504 of the Rehabilitation Act of 1973 (implemented at 24 CFR Part 8) • For multi-family buildings only, 24 CFR 100.205 (implements the Fair Housing Act)

Employment and Contracting Rules

Other Federal Requirements	Applicable?	Special/Issues/Considerations	Regulatory Citations and References
Equal Opportunity Employment	Yes	Small projects offer opportunities for minority and resident-contractors.	• Executive Order 11246 (implemented at 41 CFR Part 60)
Section 3 Economic Opportunity	Yes, if amount of assistance exceeds \$200,000 OR contract or subcontract exceeds \$100,000.	Include Section 3 clause in contracts and subcontracts.	• Section 3 of the Housing and Urban Development Act of 1968 (implemented at 24 CFR Part 135)

Minority/Women Employment	Yes	Must develop procedures and include in contracts and subcontracts.	• Executive Orders 11625, 12432 and 12138 • 2 CFR Part 200
Davis-Bacon	No		• 92.354 • Davis-Bacon Act (40 U.S.C. 276 276a-5) • 24 CFR Part 70 (volunteers) • Copeland Anti-Kickback Act (40 U.S.C. 276c)
Conflict of Interest	Yes		• 92.356 • 2 CFR Part 200
Debarred Contractors	Yes	Check HUD's list of debarred contractors.	• 24 CFR Part 5
Other Federal Requirement			
Other Federal Requirements	Applicable?	Special/Issues/Considerations	Regulatory Citations and References
Environmental Reviews	Yes	Neighborhood reviews may facilitate targeted programs, but individual checklist still required for each project site Special attention should be paid to flood insurance and historic requirements.	• 92.352 • 24 CFR Part 58.35 a(4) • National Environmental Policy Act (NEPA) of 1969
Flood Insurance	Yes for PJs that are cities/counties. No for state programs.	Must obtain flood insurance if located in a FEMA designated 100-year flood plain. Community must be participating in FEMA's flood insurance program.	• Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)
Site and Neighborhood Standards	No	24 CFR 893.6(b)	• Site and Neighborhood Standards

Lead-Based Paint	Yes for pre-1978 units.	Notices to owners. Paint testing of surfaces to be disturbed. Risk assessment, if applicable, based on level of rehabilitation assistance. Safe work practices and clearance. Provisions included in all contracts and subcontracts.	• 92.355 • Lead Based Paint Poisoning Prevention Act of 1971 (42 U.S.C. 4821 et.seq.) • 24 CFR Part 35 • 982.401 (j)(except paragraph 982.401 (j)(1)(i))
Relocation	Yes	Relocation is required if tenants are living in the other units. Relocation is not required for owner-occupied units.	• 92.353 • Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) • 49 CFR Part 24 • 24 CFR Part 42 (subpart B) • Section 104(d) "Barney Frank Amendments"

EXHIBIT 6
SUMMARY OF HOMEOWNER REHABILITATION RULES AND HOW TO DOCUMENT

Eligible Participants		
	Key HOME Requirement	Documentation
Owner Income	• Gross income <80 percent of median income based on the upcoming 12 months. • Income is defined by one of three options: Section 8 annual income; annual income under Census long form; or adjusted gross income under IRS Form 1040.	• Completed application in the project file. • Source documentation (wage statements, interest statements) in the project file.
Owner Occupancy	• Applicant must occupy unit as his/her principal residence.	• Client must sign a clause on the application form certifying that the property is the principal residence.

Ownership of	• Applicant must have ownership of the property through: • free simple title, • 99-year leasehold interest (50 years on trust or restricted Indian lands), or • ownership/membership in a cooperative or mutual housing project.	• Title check documentation in project file. • Copy of deed or other ownership document in the project file.
Eligible Property		
	Documentation	Key HOME Requirement
Property Type	• Eligible property types include: • one-to-four-unit property; • condominium unit; • cooperative or mutual housing unit, if recognized by state law; or • manufactured or mobile home.	• If two-to-four units, indicate status of non-owner-occupied units in the application. • If non-owner units were assisted with HOME funds, provide agreement with homeowner regarding rental requirements and reference to the property's rental monitoring file.
Property Location	• Property must be located within geographic area of the PJ.	• Application should include address in PJ's geographic area.
HOME Minimum	• A minimum of \$1,000 in HOME funds must be invested in each assisted unit. • The maximum per-unit subsidy limit is determined by HUD.	• Maintain records in project file demonstrating that the per-unit HOME investment exceeded \$1,000. • Maintain records in the project file indicated total HOME subsidy did not exceed maximums provided by HUD.
Property Value	• After-rehabilitation value must not exceed 95 percent of the area median purchase price. • Use 203(b) limits; OR • Establish local limits and obtain HUD approval	• If using local value limits, document data used to determine limits as well as evidence of HUD approval in the program file. • Document method for determining value in the project file. • Copy of value estimate held in project file.
Property Standards	• Property must meet PJ's written rehabilitation standards. • Property must meet applicable codes (state or local codes/standards or one of three	• Document local code or model code used in program files • Maintain written rehabilitation standards in program files.

	nationally accepted codes/standards).	• Include inspection report or certification by inspector in project file. • Keep inspection checklist and work write-up in project file.
Eligible Activities	• Rehabilitation, reconstruction.	• Document all expenditures.

PART 2: PROGRAM DESIGN AND IMPLEMENTATION

Federal funds will be used to provide grants and zero simple interest deferred payment loans to homeowners of low- to moderate-income (0 to 80% of Area Median Family Income) who own and occupy their home and need financial assistance for housing rehabilitation.

OBJECTIVES

The City of Huntington Park receives an annual allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). HOME funds are designed to provide or preserve affordable housing for families at or below eighty (80 percent) percent of the Area Median Income ("AMI").

Under the HOME Program, the City of Huntington Park has elected to design and implement a **Single Family Non-Match Rehabilitation Grant and Loan Program** to meet the following objectives:

- Implement a City-wide program designed to serve very-low and low-income households,
- Provide a valuable service to qualified homeowners and residents,
- Preserve existing single-family homes, either detached, or attached, and mobile homes within the City limits.

GOALS

The Program's goals include:

1. Utilizing project selection criteria to establish criteria for determining which projects are chosen (i.e., the level of needed repair or ability of the owner to leverage other funds).
2. Assertively marketing Programs to ensure the program information is widely and fairly distributed.

ADMINISTRATIVE PLAN

The City's *Project Manager* will implement Programs tasks including:

1. Implementing the methods and criteria for selecting applicants;
2. Administrating and tracking the waiting list (how it will be administered);
3. Utilizing and updating the appropriate forms for assistance and criteria in determining

PART 3: HOME REPAIR PROGRAM

PROGRAM SUMMARY

The City of Huntington Park (City) has established the Federally Funded Owner-Occupied Grant and Loan Program (Loan Program) to assist homeowners of low- and moderate-income (0 to 80% of MFI) who own and occupy their home in Huntington Park. The program provides financial assistance of up to \$100,000 for housing rehabilitation, with a \$25,000 in grant and up to \$75,000 zero (0%) interest, deferred payment loan.

To maximize the effectiveness of the Loan Program as a vehicle for enhancing affordability, borrowers pay no interest on the loan. Principal is due and payable upon a variety of conditions and circumstances, the most common being the sale of the home, transfer of the home, or death of homeowner.

GENERAL DEFINITION

As used in this Manual and all program documents, unless the context requires otherwise, the following words and terms have the meanings set forth below:

- **AFFORDABLE:** In reference to housing costs, this means that the financial obligation can be paid by the person or household, along with all other financial responsibilities of that person or household, without endangering the financial stability of the household.
- **APPLICANT:** Any person who applies for the Loan Program.
- **ASSISTED UNIT:** A unit funded under the Loan Program.
- **BORROWER:** A person who has or will receive a loan for the rehabilitation or reconstruction of an eligible property.
- **CAPITAL IMPROVEMENTS:** Expenditures for improvements to land or improvements and remodeling of existing buildings that increase the value and extend the useful life of the property.
- **CERTIFICATION:** A written statement of fact filed in connection with the Loan Program and subject to penalties of perjury.
- **CITY:** The City of Huntington Park, California
- **CURRENT SALES PRICE:**
 - In the event of a first sale or transfer after the date of a loan issued under this Loan Program, the current sales price shall be defined as the amount received by Borrower as the sales price of the property (less capital improvements) plus amounts received but paid out to third parties for any closing costs and commissions paid by Borrower.
 - In the event of a default and subsequent foreclosure and acquisition of the property by a creditor, the current sales price shall be defined as the amount paid for the property upon the creditor's sale of the property.

- In the event of Borrower's cash-out refinance of the property, the current sales price shall be defined as the market value as determined by an appraisal acceptable to the City.
 - In the event of the first note and deed of trust becoming payable, the current sales price shall be defined as the market value of the property, as determined by an appraisal acceptable to the City, on the maturity date of the first note and deed.
 - In the event the property ceases to become Borrower's principal place of residence, the current sales price shall be defined as the market value of the property, as determined by an appraisal acceptable to the City, on the date the City determines that Borrower does not occupy the property as his or her principal place of residence.
- **DATE OF ISSUE:** The date the loan is signed and executed by the City.
 - **DEVELOPMENT SUBSIDY:**
 - Federal funds invested in a property that indirectly benefit a homeowner and are not subject to recapture.
 - The difference between the total development cost and the market value of the property.
 - **ELIGIBLE HOUSEHOLD:** A household that is owned and occupied by a person and who meets applicable criteria specific to the funding source used.
 - **ELIGIBLE PROPERTY:** Real property located in the city limits of the City which also meets additional criteria relative to the specific funding sources utilized.
 - **EXISTING HOMEOWNER:** An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.
 - **GROSS INCOME:** An individual's taxable income before any appropriate adjustments are made.
 - **HOUSEHOLD:** Household to include all person(s) living in the same housing unit (excludes foster children, live-in-aides, children of live-in-aides, unborn children, and children being pursued by legal custody).
 - **HUD:** The U.S. Department of Housing and Urban Development.
 - **INCOME:** To determine a Borrower's eligibility for program assistance, income is determined using definitions specific to the Federal guidelines.
 - **INTEREST:** The interest due on the loan's deed of trust and calculated in accordance with the regulations pertaining to the Loan Program.
 - **LOWER INCOME HOUSEHOLD:** Persons and families whose incomes do not exceed the qualifying limits for lower income families as established and amended from time to time

pursuant to Section 8 of the United States Housing Act of 1937. Such limits are defined as 80% of the area median income as adjusted for household size and revised annually.

- **MANUFACTURED HOUSING UNIT:** A home manufactured offsite and transported to a lot, and a mobile home as defined by Section 18007 of the California Health and Safety Code. A manufactured home can be either in a rental mobile home park, on leased land or on property owned by the occupant. It can be either on a permanent foundation or on an alternate foundation system.
- **MATURITY DATE:** The date upon which a mortgage loan comes due and payable in full in accordance with the regulations pertaining to the Loan guidelines.
- **MORTGAGE:** A deed of trust used to secure a lien on real property or, in the case of some manufactured housing, another security interest acceptable to HUD.
- **NET INCOME:** For an individual, gross income minus taxes, allowances, and deductions. An individual's net income is used to determine how much income tax is owed.
- **OWNERSHIP INTEREST:**
 - Ownership does not include a remainder interest, a lease with or without an option to purchase or any interest acquired on the execution of the purchase contract.
 - Any of the following interests in residential real property:
 - Fee simple estate
 - Community Property
 - Joint tenancy
 - Community Property with Right of Survivorship
 - Tenancy in common
 - Title Holding Trust
- **PRINCIPAL RESIDENCE:** A property occupied by the Borrower continuously all year.
- **RELATED PERSON:** As defined under the Internal Revenue Code and applicable regulations: siblings, spouses, ancestors and lineal descendants, or any other related persons.
- **SECOND MORTGAGE:** A mortgage that is junior or subordinate to a first mortgage.
- **OWNER-OCCUPIED RESIDENCE:** A housing unit intended and used for occupancy by one household which is the owner of the property.
- **SILENT SECOND:** A second mortgage in which there are no payments required of either principal or interest on the mortgage until such payments are required in accordance with the regulations pertaining to the funding source(s) used.

PROGRAM GUIDELINES

These guidelines are based, in part, on procedures that the City has used in the administration of a wide range of housing rehabilitation and construction activities. The following describes the grant and loan process in short, which is explained in further detail throughout this section.

- Home Repair Program Preliminary application submitted City. The City will screen applicant for income and property eligibility.
- A complete program application, materials, and lead and asbestos brochures will be sent out to income eligible households. Application and required supporting documentation submitted by Homeowner(s) and application processed on a first-come, first-served basis.
- Home Repair Program inspector and City Staff will conduct initial inspection to determine eligible repair services to be performed. All code violations and hazardous conditions that are a direct threat to the health, safety, and welfare of occupants are mandatory and must be repaired.
- For homes built prior to 1978, a lead and asbestos testing will be conducted by a licensed testing firm contracted by the City. Lead and asbestos test report will be provided to homeowner. If lead or asbestos is found in the property, they will be included as mandatory repairs.
- Home Repair Program inspector will prepare a Work Write Up indicating eligible repair services to be finalized and approved by applicant.
- The applicant will be required to send the approved Work Write Up to eligible general contractors for bids. The City will provide a guide on how to select licensed contractors from California Contractors State License board. The applicant has the right to solicit a bid from any eligible contractor.
 - General contractor must meet all the City's eligible contractor requirements. The City will contract only B-1 licensed contractors who maintain a current license in good standing with the Contractors State License Board and provide the required liability and workmen's compensation insurance coverage.
- The applicant will be required to obtain and submit a minimum of three (3) bids from eligible contractors to the City for review. The lowest bid from a responsive and responsible contractor shall be awarded.
- After 3 bids are submitted, the Home Repair Program Inspector will review bid and confirm contractor selection with Homeowner.

- Once a contractor is selected, Home Repair Inspector and selected contractor will conduct a Pre-Construction meeting.
- A three (3) party contract will be signed by the City, Homeowner, and Contractor at City Hall
- Construction can begin only when Notice to Proceed is issued. Notice to proceed will be sent out to the contractor. Contractor can begin pulling permit and start working on the repair.
- Home Repair Program Inspector will do progress inspection.
- Progress Payments minus 5% Retention as work is completed and inspected by City staff and approved by Homeowner.
- Change Orders (as needed) processed by City staff and approved by City staff and Homeowner.
- Once work is completed, a Certification of Completion must be signed and dated by both the homeowner and the City.
- Once the Certification of Completion form is signed, City Staff will process the payment for the Contractor. A 5% retention amount will be withheld and mailed to the contractor 30 days after completion.
- City Staff is responsible for obtaining all warranties and lien releases from Contractor(s) to assure clearances with no liability to the City and its employees.

PROGRAM SCOPE

Program assistance will be provided to qualified property owners who own and occupy a home and do not exceed the low to moderate-income limits set by HUD. Specifically, applicants must have an annual gross income that does not exceed 80% of the median income for the area as established and published annually by HUD.

In determining income eligibility, all persons on title are considered household members. There is an exception to this rule, it is possible that a person is identified on the title but is not part of the household. In this case, proof of other residency would be required, and that person would not be considered part of the household for determining income eligibility. All persons living in the residence are considered household members. A household's income must be within the most recent HUD approved income limits for Los Angeles County at the time the household is approved for the loan. In addition, the housing unit being considered for rehabilitation or reconstruction must be the principal residence of the owner-occupant.

Under no circumstance will a tenant-occupied property be eligible for assistance under the loan.

On September 15, 2000, a new Lead-Based Paint regulation became effective. As a result, all units built prior to 1978 must be inspected for defective paint and any defective paint must be tested for lead content. All defective lead containing paint and surfaces must be treated or abated. Additionally, any painted surfaces that will be disturbed during construction must be tested. In cases where painted surfaces are found to contain lead, these surfaces must be abated before proceeding with the scope of work. The cost associated with a homeowner having their unit inspected for defective paint will be absorbed through the Federal funds. The cost for the treatment or abatement of the defective lead contained surfaces will be incorporated into the homeowner's grant.

LEVEL OF ASSISTANCE

It is the City's intent to correct as many cases of housing deterioration as possible with the available funds. The maximum amount of Federal funds invested in a project will be at a level to correct all deficiencies without going over the loan-to-value limit or the Section 221(d)(3) limits published annually by HUD. It is the City's desire to rehabilitate housing units to create safe, decent, and affordable housing for the homeowners.

In no case shall the after-rehabilitation value of the assisted unit exceed 95% of the median purchase price for homes in the area, as published by HUD or approved by HUD. The median purchase price for the City is subject to periodic revision. For the purpose of this program, the after-rehabilitation value will be established by an estimate of value conducted by City staff.

TYPE OF ASSISTANCE

The grant amount is \$25,000 and the loan amount will vary for each project depending on the scope of work for a maximum amount of up to \$75,000. However, under no circumstance will the loan-to-value exceed 95% of the median purchase price. Total repayment of the 0% interest deferred loan will be due if the home is sold, transferred in ownership, or in some cases refinanced.

Refinancing will only be allowed if the overall housing costs of the borrower will be reduced and made more affordable. Affordability will be up to the City's discretion to determine. Also, in the case of refinancing, no additional cash can be taken out by the homeowner with the exception to assist with closing costs.

In determining a household's qualification for a loan, the City will utilize low- to moderate-income housing affordability standards identified by HUD. Households that qualify for a loan are subject to have their continued eligibility reviewed, at the discretion of the City, until the loan has been completed and a Notice of Completion has been filed with the County Recorder's Office.

To ensure that the property owners remain owner-occupants for the life of the loan, the City plans to track all real estate-related information on the home to ensure there is no change in the property owners mailing address or that the property owners become delinquent in paying the property taxes.

QUALIFYING PROPERTIES

All single unit owner-occupied housing units (i.e. single-family, condominiums, town homes, manufactured housing) located within the City of Huntington Park will be eligible under the loan. Work on condominiums and town homes will be limited to the applicant's sphere of responsibility. Work will not be conducted in the sphere of an association's responsibility.

TYPES OF REHABILITATION

As noted in the guidelines established for this program, the City is interested in focusing the use of Federal funds on the community's more serious cases of housing deterioration. It is the intent of the City to renovate this existing housing stock whenever feasible. However, in cases where the cost of rehabilitation exceeds 49% of the after-rehabilitation value of the dwelling, the structure may be demolished and reconstructed providing the overall cost of the project will not exceed the 221(d)3 limits set forth by HUD

"Rehabilitation" means, in addition to the definition in Section 50096 of the Health and Safety Code, repairs and improvements to a manufactured home necessary to correct any condition causing the home to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes room additions to alleviate overcrowding. Rehabilitation also means repairs and improvements where necessary to meet any locally-adopted standards used in local rehabilitation programs. Rehabilitation does not include replacement of personal property.

Rehabilitation includes reconstruction. Federal law and policy allow the use of HOME funds to demolish and reconstruct owner-occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The Housing Project Coordinator must document that the reconstruction costs are less than the cost to rehabilitate the existing substandard housing. Additionally, the Housing Project Coordinator must

determine that the project's value after reconstruction (housing and land combined) is less than the Maximum After-Rehabilitation. The residential structure to be reconstructed must be a structure with cooking, eating, sleeping, and sanitation facilities which has been legally occupied as a residence within the preceding 12 months. Fifth wheels or recreational vehicles, for example, are not considered dwellings and therefore are not eligible under this Program. Like for like requires that the structure being demolished must be replaced with a like structure (replace manufactured housing with manufactured housing, for example).

Temporary relocation benefits must be planned for and budgeted into the total allowable subsidy for the project, but if required would be in the form of a grant.

Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.

1. Health and Safety Issues: Eligible costs include, but are not limited to, energy-related improvements, lead-based paint hazard evaluation and reduction activities, improvements for handicapped accessibility, repair or replacement of major housing systems. A driveway may be considered part of rehabilitation if it is determined to be a health and safety issue.
2. Code and Regulation Compliance: Eligible costs include, but are not limited to, additional work required to rehabilitate and modernize a home, and bring it into compliance with current building codes and regulations. Painting and weatherization are included.
3. Demolition: Eligible costs include, but are not limited to, the tear down and disposal of dilapidated structures when they are a part of the reconstruction of an affordable housing unit. If a garage or carport is detached, it may not be rehabilitated but may be demolished, if it is determined to be a health and safety issue.
4. Upgrades: Eligible costs include additional bedrooms and bathrooms if the need can be demonstrated per HUD's overcrowding guidelines. The Program will not fund additions to a home for a den or family room, or for any luxury items.
5. General Property Improvements: Eligible costs include, but are not limited to, installation of a stove, refrigerator, and/or dishwasher; and repair or installation of fencing.

All improvements must be physically attached to the property and permanent in nature. Non-code property improvements (fencing, landscaping, driveway, etc.) will be limited to 15 percent of the rehabilitation loan amount. Any cash contribution by the property owner will be considered a general property improvement and be included in this percentage. Luxury items are not permitted. Items such as refrigerators, stoves and dishwashers that are not built-in may be replaced due only to incipient failure or documented medical condition of the homeowner and must be of moderate quality.

6. Rehabilitation Standards: All repair work related to health and safety conditions will meet Local Building Code standards. The priority will be the elimination of health and safety hazards and code compliance.

SELECTION PROCESS

The Home Repair Program is advertised ongoing through the City's web site (<https://www.hpca.gov/817/Home-Repair-Program-HRP>), social medias, and brochures located at City Hall. The City attempts to maintain a waiting list of properties that have been identified as potentially eligible for the program. Any owner-occupied property within the City can be placed on this waiting list.

Once all documents are received, reviewed, and processed, the program representative will notify the applicant of eligibility status. If eligible, an appointment for an initial inspection is scheduled to determine the eligible items that will be included in the Scope of Work.

Funds are distributed based on a first-come, first-serve basis. There is an exception to this rule. It is possible for a property to be given priority because of code, building, or health & safety violations. Code Enforcement Officers and Building Inspectors from the City can identify and assess residential properties that might require immediate assistance through the Home Repair Program.

BID PROCEDURES

The Housing Project Coordinator and property owner will work together in developing a work write-up. A written cost estimate, using appropriate reference or cost manuals, will be prepared by the Home Repair Inspector, and reviewed by the City's Program Representative to ensure that project costs do not exceed the program limits established by the City. If necessary, a change in project scope reducing or eliminating general property improvements, will be made. A project may be denied or cancelled if it is determined that the cost to meet HQS standards and relief of code violations will exceed the 221(d)3 limits set forth by HUD.

The property owner will be ultimately responsible for selecting the licensed contractor they wish to complete the rehabilitation work, based on the following three methods of obtaining estimates:

1. The property owner will be provided copies of the scope of work, and they will obtain three estimates by licensed and insured contractors;

2. Prior to the property owner's selection of a contractor, the Housing Project Coordinator will be responsible for reviewing the bids against the preliminary cost estimate prepared by the Home Repair Inspector. Bids must be within 15% (high/low) of the cost estimate prepared by the inspector. If the bid is higher or lower than the 15% cost estimate, the bid will be rejected and disqualified from the bidding process.

The Home Repair Representative will also be responsible for ensuring that the selected contractor follows all state requirements by verifying that the contractor is licensed and in good standing with the State of California. In addition, the Home Repair Representative will be responsible for ensuring the current federal eligibility status of the contractor by verifying that the contractor does not appear on the "List of Parties Excluded from Federal Procurement or No procurement Programs on Sam.gov."

CONTRACT IMPLEMENTATION

Once a contractor is selected, City staff will prepare the appropriate loan documents for execution in concert with the construction contract documents. Progress payments will be made based on a schedule agreed upon by the City, homeowner, and contractor. Release of progress payments will be made at the discretion of the City. Interim inspections will be conducted on each project by the Housing Project Coordinator. The number of interim inspections will vary for each project based on the scope of work involved for that project.

Quality control will be an important component of this program's implementation. Both the Building Inspector and the Housing Project Coordinator will monitor the workmanship and quality of materials used in these projects.

The contractor will be required to obtain release of liens from subcontractors and suppliers as the construction project proceeds, and as deemed necessary. A ten percent (10%) retention of the contract amount will be retained until 35 days after the final inspection is signed-off and a notice of completion is filed for the project.

DISPUTE RESOLUTION

The contract is between the homeowner(s) and the Contractor chosen by the homeowner. The City of Huntington Park is not a party to any contracts, nor is the City of Huntington Park responsible for the performance of said contract by the Contractor. The homeowner(s) selects the Contractor based on the estimate provided by the contractor through the competitive bid process. The City is only the lending institution providing the funds and insuring that the work they bill for has actually been completed per Scope of Work and Building Code.

However, when a dispute arises, the City will provide mediation services for the homeowner and contractor to resolve differences. Dispute resolution services provide mediation services at either

the homeowners or the contractors request and is typically conducted at City Hall by City staff. Mediations that are unsuccessful at this level must be mediated by an Arbitration/Mediation service solicited by either the Participant or the Contractor; the City will not be a party to this form of mediation except to provide any requested information regarding the project or the process.

RISK ANALYSIS

Upon receipt of a loan application package, the City will review the package to determine that support materials are present and that all forms are complete. Support materials may include but are not limited to, income verification (i.e., paycheck stubs, unemployment stubs, social security benefit printouts, IRS 1040 form, W-2 statements, etc.), assets verification (i.e., bank statements, IRA statement, stocks, bonds, etc.), mortgage statements, property tax bills, deed of trust and insurance policies when applicable, etc.

After the package has been reviewed and found to be complete, a preliminary risk analysis will be developed to determine that it is reasonable to proceed with processing. The preliminary risk analysis will include the borrower's annual income to ensure that it is at or below the 80% FMI as established by HUD, an estimate of the amount the borrower can afford to borrow, and an estimate of the borrower's ability to pay (when applicable).

Upon approval to proceed, the City will order applicable outside services such as a title report, lead inspection, verifications, etc. Upon receipt of verifications and reports, the following loan package will be prepared for signature by all interested parties.

- Deed of Trust
- Promissory Note
- Notice to Proceed
- Notice of Right to Cancel
- Truth-in-Lending Disclosure Statement
- Itemization of the Amount Financed
- Notice of Subordination
- Fair Lending Notice

ELIGIBLE REHABILITATION COSTS

The following are eligible costs that may be paid or reimbursed with loan funds:

- Development Hard Costs
- Work necessary to meet local building code requirements
- Work necessary to meet locally adopted rehabilitation standards
- Energy-related improvements
- Lead-based paint hazard mitigation
- Improvements for handicapped accessibility

- Repair or replacement of major housing systems
- Repairs and general property improvements of a non-luxury nature
- Demolition costs (when part of the reconstruction/to relieve illegal conditions)
- Site Improvements and Utility Connections
- On-site infrastructure costs
- Off-site utility connections from the property line to an adjacent street
- Related Soft Costs (reasonable and necessary only)
- Specification writing, underwriting, notary, building inspection, lead inspection, title costs, recordation fees, building permits, appraisals, and relocation costs, if applicable

EXHIBIT 7 HOME-ELIGIBLE HOMEOWNER REHABILITATION COSTS

HARD COSTS

- Meeting the rehabilitation standards
- Meeting applicable codes, standards and ordinances
- Essential improvements
- Energy-related improvements
- Lead-based paint hazard reduction*
- Accessibility for disabled persons
- Repair or replacement of major housing systems
- Incipient repairs and general property improvements of a non-luxury nature
- Site improvements and utility connections

**Note: Lead hazard reduction costs are not counted as hard costs for the purposes of determining the level of assistance under 24 CFR Part 35 (the Lead Safe Housing Rule).*

SOFT COSTS

- Financing fees
- Credit reports
- Title binders and insurance
- Recordation fees, transaction taxes
- Legal and accounting fees
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Project costs incurred by the PJ that are directly related to a specific project.
- Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable

PROCUREMENT STANDARDS (CONFLICT OF INTEREST)

When purchasing and contracting for supplies, equipment, construction, and other services acquired in whole or in part with Federal funds, the City will comply with the procurement procedures and requirements of 24 CFR Part 84.40 and 85.36.

FAIR HOUSING AND AFFIRMATIVE MARKETING

The City recognizes the effect that discrimination has in limiting housing choice and equal opportunity in renting, selling, financing, and rehabilitating housing, and therefore, follows all relevant Equal Opportunity and Fair Housing requirements. The City's effort to eliminate discrimination is overseen by the Fair Housing Foundation. Huntington Park has contracted this organization to implement its Fair Housing Program and to ensure that no property owner is unfairly denied benefits or subjected to discrimination under the Federally-funded Loan Program based on race, color, national origin, religion, age, ancestry, familial status, handicap, sex, or any other arbitrary basis.

As already indicated under "Selection Process", the Home Repair Program is advertised ongoing through the City's web site (<https://www.hpca.gov/817/Home-Repair-Program-HRP>), social medias, and brochures located at City Hall. The City attempts to maintain a waiting list of properties that have been identified as potentially eligible for the program. Any owner-occupied property within the City can be placed on this waiting list.

ELIGIBLE USE OF FUNDS

Federally funded loans may be used only for the provision of providing grant and 0% deferred payment loans to homeowners of low-income (0 to 80% of MFI) who own and occupy their home and need financial assistance for housing rehabilitation or reconstruction.

INELIGIBLE USE OF FUNDS

Federal funds may not be used for:

- Refinancing of existing loans
- Recurring loan costs
- Payoff of all or any portion of a Borrower's consumer debt, liens or judgments
- Cash out

ELIGIBLE HOUSEHOLDS 24 CFR 92.203

To be eligible to receive these funds, an individual household shall:

1. Be a low to moderate-income household (income equal to or less than 80% of area median income as adjusted for household size and published by HUD) when considering the gross income of all household residents 18 years old or older.
 - a. Annual income will be determined by examining at least 2 months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family. Furthermore, when determining whether a family is income eligible, the City will use the following definition of "annual income":

- i. Annual income as defined at 24 CFR 5.609 will be utilized while applying exclusions from income established at 24 CFR 5.611 as further required by the 2013 HOME Final Rule.
- b. The City will calculate the annual income of the family by projecting the prevailing rate of income of the family at the time that the City determines that the family is income eligible. Annual income will include income from all persons in the household and income or asset enhancement derived from the HOME-assisted project will not be considered in the calculation.
NOTE: According to Technical Guide for Determining Income and Allowances for the HOME Program Adjusted income is not needed for HOME funded owner-occupied rehabilitation or homebuyer programs.
- c. The City will not re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the City determined that the family qualified as income eligible.

FY 2024 Income Limits

<u>Family Size</u>	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
Maximum income	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750

NOTE: Income limits are adjusted annually. HUD is subject to change their median income percentages per year. This is subject to change.

2. Include as Borrowers all persons who will be, or who are on title to the property.
3. Be a homeowner and occupy the property as a principal place of residence.
4. Not own any property (residential and/or commercial) other than their principal place of residence.

ELIGIBLE PROPERTY

1. Property must be located within the City of Huntington Park
2. Property type must be:
 - a. Single-family housing; or
 - b. Condominium unit; or
 - c. Town home unit; or
 - d. Manufactured unit
2. Eligible property must have the following occupancy characteristic:
 - a. Is currently occupied by the owner.

MAXIMUM AFTER REHABILITATION VALUE

The maximum after rehabilitation value for a home with the assistance of a loan under this Program shall not exceed 95% of the median purchase price for homes in the area, as published by HUD or approved by HUD. For this program, the after-rehabilitation value will be established by an estimate of value conducted by City staff.

LOAN DOCUMENTATION

1. Promissory Note payable to City in the principal amount of the loan and stating the terms and rate of interest.
2. Deed of Trust securing the Notice; this deed shall be recorded and shall secure the City's financial interest in the property.
3. Other appropriate security instrument naming the City as beneficiary (for instance, with regards to mobile homes, a Statement of Lien must be filed with the State of California Department of Housing and Community Development identifying the City as a lien holder.
4. Request for Copy of Notice of Default.
5. Include Loan /grant processing checklist in each applicant file

LOAN TERMS**Security**

1. Loans shall be secured by the property or leasehold interest, as applicable.
2. The lien securing repayment of the loan shall be subject only to liens, encumbrances and other matters of record reviewed and approved by the City.

Deferment

Principal and interest payments shall be deferred for the term of the loan. Under no condition will the principal or interest be forgiven.

Repayment

1. The loans principal and interest shall be repayable upon:
2. Sale, transfer, death of borrower(s), or lease of the property.
3. Borrower's failure to occupy the property as Borrower's principal place of residence.
4. The loans maturity date.
5. Upon default of the promissory note, deed of trust or other recorded documents of record pertaining to the property.

Assumably

These loans are not assumable.

Transfer of Interest Exceptions

The transfer of interest shall not require repayment of the loan in the following cases:

1. The transferee was on title at the time of City loan approval.
2. A transfer, in which the transferee is a person who occupied the home at the time of the City loan approval and the household's income is recertified and proven to be at or below the 80% FMI as established by HUD.

3. A transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

Prepayment

A Borrower may prepay the loan, in part or completely, at any time without penalty.

Interest

Interest is calculated at 0% interest rate for all others based on the principal owed.

Loan-to-Value Limits

The loan-to-value (LTV) ratio for a loan, when combined with all other indebtedness to be secured by the property, shall not exceed 100% of the sales price plus a maximum of up to 5% of the sales price to cover closing costs.

Cash-Out

A Borrower may not receive "cash out" for a loan.

FLOOD INSURANCE

The City of Huntington Park is not located within the 100-year flood plan and has been designated by Federal Emergency Management Agency (FEMA) as Zone C. Therefore, the Borrower is not required to provide and/or maintain Federal Insurance.

PROPERTY TAXES

To ensure that the Borrower remains as an owner-occupant for the life of the loan, the City will contract with a Title Company to track all real estate-related information on the home. The Title Company will notify the City if there is a change in the Borrowers mailing address or if the Borrower becomes delinquent in paying the property taxes. If the Borrower fails to maintain payment of property taxes, the City may pay the taxes current. The City shall obtain a judgment for any amounts expended by the City and shall record a judgment lien against the property.

ANNUAL HOMEOWNER CERTIFICATION

Each year the Borrower will be required to show proof of continued residency. The Home Repair Representative will mail a Self-Certification Affidavit Form to each Borrower with an outstanding loan. The Borrower will be required to deliver to the Housing Project Coordinator

a completed Self-Certification Affidavit Form with an original signature and a copy of a recent utility bill (requested utility bill will alternate each year).

To ensure the Participant maintains current on property taxes, the Home Repair Representative will also conduct an annual search on the Los Angeles County Office of the Assessors website.

SUBORDINATION

If the Borrower wishes to refinance any superior loans, the Borrower must submit a Request for Subordination to the City of Huntington Park, Community Development Department. Subordinations will be granted only under the following conditions:

1. No cash-out allowed.
2. No third-party debt pay-offs or debt consolidations.
3. No additional encumbrances on the property.
4. Total indebtedness secured by the property may not exceed the current market value of the property.

The Community Development Director for the City will review and approve or deny the Request for Subordination and, if approved shall execute appropriate documentation as submitted by the originating party.

RE-USE ACCOUNT

1. All repayments of loan principal and interest shall be received by the City and deposited into a separate reuse account maintained by the City's Department of Finance.
2. The reuse account shall be an interest-bearing account into which all earned interest shall be deposited.
3. All funds deposited into the reuse account shall be the property of the City.
4. A line item for reuse of funds will be inserted into the City's fiscal year budget allocating and approving use of funds for eligible activities.
5. All reuse funds shall be expended in accordance with the Federal Regulations and the Standard Agreement between the City and HUD. Reuse funds may be used for:
 - a. Additional rehabilitation assistance.

- b. Loan processing activity delivery fees as applicable.
 - c. Cost (up to 5% of reuse funds deposited) of loan servicing by the City.
6. The City shall allow HUD full access to the reuse account records for the purpose of determining the City's compliance with Federal regulations.

DEMAND/PAYOFF

Upon receiving a Notice of Demand/Pay-off, the City's Department of Finance shall calculate the amount of principal and interest due and transmit the payoff amount to the requesting party. Upon receipt of all due principal and interest, the City shall reconvey the loan's deed of trust.

DEFAULT

Upon receipt of a Request for Notice of Default for each lien senior to the City's loan, the City shall determine the feasibility of bringing the defaulted loan current as outlined below.

Foreclosure by Senior Lien Holder

In case of a foreclosure action brought by a senior lien holder, the City may elect to cancel the foreclosure proceedings by reinstating the senior lien holder if the Community Development Director for the City determines that the Borrower can, upon the City making the senior lien holder current, resume making future payments on the senior lien. All costs to bring the senior lien current shall be added to the outstanding principal of the second mortgage.

If the City determines that the Borrower does not have the capacity or resources to continue to make future payments on the senior lien, the City may:

1. Pay off the senior lien in full and restructure the Borrower's debt such that the Borrower's housing costs are affordable; or
2. Reinstatement the senior lien holder (pay all of Borrower's delinquent payments, late charges and fees to date) and institute foreclosure proceedings on its own behalf.

All such proceedings, at the direction of the City and on the City's behalf, shall either be performed by the City or by the Trustee so named on the Borrower's loan deed of trust.

Foreclosure by the City upon Default of Borrower under Loan

In the event of a default by Borrower under any term of the Borrower's loan deed of trust or promissory note, all principal and interest will become immediately due and payable.

FAILURE TO COMPLY

Failure to comply with any applicable City policy or procedures or the U.S. Department of Housing and Urban Development Federal requirements will constitute a breach of the loan agreement. Such a breach will result in the City action to recover moneys determined to have been spent on ineligible projects or activities.

REUSE PLAN

All repayments of loan principal and any loan interest accrued shall be deposited to a separately maintained reuse account governed by the City of Huntington Park's Department of Finance. All funds deposited into the reuse account shall be the property of the City.

Reuse Account

The City of Huntington Park will establish an account for funds that is separate from any other funding sources (no co-mingling of funds) and provides:

1. A tracking system to ensure reuse of funds are used for appropriate activities as described below;
2. Appropriate reporting ability;
3. Provides for timely processing; and
4. Any accrued interest earned on funds is to accrue to the Reuse Account.

Reuse of Funds

Funds in the reuse account shall only be used by the City of Huntington Park for:

1. Grants and loans to individual homeowners as allowed pursuant to Program requirements;
2. A loan processing activity delivery fee, as applicable, in accordance with Program requirements; and
3. Up to 5% of funds deposited may be used towards the costs of loan servicing provided by the City.

Monitoring

The City will monitor the reuse account according to the most current requirements.

CHAPTER 5: HOMEBUYER PROGRAM ACTIVITIES

NOTE: City Staff are recommended to take training course titled Building Building HOME: Homebuyer Programs on HUD Exchange prior to implementing Homebuyer Activities.

PROGRAM DESCRIPTIONS

The City provides a second trust deed mortgage loan with all payments deferred until sale, transfer, or the subject property is no longer the participant's principal residence. The City of Huntington Park may share in a percentage of the equity accumulated on the property, depending upon the circumstances that exist at the time of sale and federal requirements. The City HOME loan will be recorded as a lien on the property and will be due upon sale or transfer of title or when the borrower no longer occupies the home as his/her principal residence as required under 24 CFR 92.254. Homebuyers will sign a HOME Agreement pursuant to §92.504(c)(5) of the HOME rule, which outlines the affordability restrictions and recapture guidelines, as well as a Promissory Note and Deed of Trust.

Homeowners' long-term commitment to a "home" and to the neighborhood as a whole can also result in lower subsequent public expenditures for property rehabilitation. Affordable homeownership provides benefits to low and moderate-income families as well as to the communities in which they live.

The goals of the Program are:

- To encourage home ownership and increase the number of owner-occupied single-family properties in the community;
- To preserve and promote decent affordable housing opportunities within the community;
- To provide working individuals and families with the opportunity to become homeowners;
- To facilitate the resale of existing housing;
- To provide affordable opportunities for homeownership;
- To beautify neighborhoods;
- To make neighborhoods safe; and
- To instill neighborhood pride.

AFFORDABILITY REQUIREMENTS

The affordability period in connection with the resale of HOME-assisted units will be 15 years.

RECAPTURE PROVISIONS

Should the property cease to be the principal residence of the homebuyer, the City will recapture the full amount of HOME investment (HOME subsidy) to the extent where there are net proceeds

following the sale of the property and repayment of non-HOME loan repayments and closing costs. Net proceeds are defined as the amount of sale proceeds remaining (if any) after payment of any superior loan(s) (non-HOME funds) and customary closing costs. This limitation applies regardless of the nature of the sale (voluntary sales including short sales, and involuntary sales including foreclosures). This indebtedness becomes due and payable upon sale or transfer of the property, prior to the expiration of the period of affordability, to the extent where there are sufficient "net proceeds". If upon the voluntary or involuntary sale of the property prior to the expiration of the period of affordability there are insufficient net proceeds to pay the balance remaining of the City HOME loan, the Homebuyer is relieved from any further obligation to pay the indebtedness.

Reduction during the affordability period - the participating jurisdiction may reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. (24 CFR 92.254 (a)(5)(ii)(A).

When the property is sold or transferred within the first fifteen (15) years, the City of Huntington Park will share a maximum 10% of the property's appreciated value with the homeowner. There is no "shared appreciation" applied if the property is sold or transferred after the **completed** fifteen (15) years of the recording of the FTHB loan. The City of Huntington Park foregoes all shared appreciation after fifteen (15) years of purchase and occupancy and grants all future shared appreciation to homeowner.

Reduction During Affordability Period		
Date of the property sale (during loan year)	Reduction Amount	Recapture Amount
0 through 1	0/15	15/15
1 through 2	1/15	14/15
2 through 3	2/15	13/15
3 through 4	3/15	12/15
4 through 5	4/15	11/15
5 through 6	5/15	10/15
6 through 7	6/15	9/15
7 through 8	7/15	8/15
8 through 9	8/15	7/15
9 through 10	9/15	6/15

10 through 11	10/15	5/15
11 through 12	11/15	4/15
12 through 13	12/15	3/15
13 through 14	13/15	2/15
14 through 15	14/15	1/15
Over 15	15/15	All amounts forgiven

REFINANCE ASSISTANCE

The City does not propose to provide refinancing with HOME funds as described under 24 CFR 92.206(b). However, when lending HOME funds for single-family dwellings the City may find it necessary to allow refinancing to permit or continue affordability under § 92.254. If so, the City will amend its Consolidated Plan to describe refinancing guidelines that include the following refinancing general guidelines:

- Demonstrate the rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level habilitation per unit or a required ratio between rehabilitation and refinancing.
- Require review of management practices to demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
- State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
- Specify the required period of affordability, whether it is the minimum 15 years or longer.
- Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area.
- State that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

LOAN CONDITIONS

Both the City and the Applicant adhere to certain loan conditions as follows:

The City:

- The City will comply with the Fair Credit Reporting Act that stipulates and guarantees the applicant's privacy and right to have all information regarding the loan transaction kept in a confidential manner;

- The City shall not discriminate upon the basis of sex, age, race, creed, color, class, national origin, or ancestry in the awarding of financial assistance;

The Applicant(s)

- The Applicant shall use the financed loan to pay for the cost of rehabilitation as detailed on the work write-up or scope of work submitted by the program inspector;
- The Applicant shall permit City inspections of the property to be renovated for compliance with all Federal, State, and City building standards;
- The Applicant shall not award any contract for rehabilitation work to be paid in whole or in part with the proceeds of the loan to any general contractor who, at the time, is not on the City's approved contractors' list;
- The Applicant shall allow no member of the City who exercises any function of responsibility in connection with the administration of the PROGRAMS to have any interest, direct or indirect, in the proceeds of the loan, or in any contract entered into by the applicant for the performance of work financed, in whole or in part, with the proceeds of the loan;
- The Applicant shall not pay any bonus, commission or fee for the purpose of obtaining approval of the loan application;
- The Applicant shall occupy and maintain the housing unit for the term of loan;

NOTE: The Applicant shall maintain fire, liability, and hazard insurance coverage on the housing unit in an amount that is at least the value of the after rehabilitation appraised value of the property.

- The Applicant shall cause the City to be named a co-insured party on the fire, liability, and hazard insurance coverage.
- The Applicant shall keep property taxes current for the term of the loan;
- The Applicant shall not discriminate upon the basis of sex, age, race, creed, color, class, national origin, or ancestry in the awarding of the construction contract; and
- The Applicant shall utilize funds within sixty (60) days of loan closing unless granted a written time extension by the City.

SECOND MORTGAGE LOAN

The City's loan will be a "silent-second" lien, subordinate to the Lender's first lien. There is a decreasing interest charged on the City's second mortgage loan and the loan payments are deferred until the sale, transfer, refinancing of the house (subject to staff review), the owner ceases to occupy the home, or year 15. At no time will the loan terms exceed 15 years. The loan is neither transferable nor assumable. Each borrower will execute on behalf of the City, a Promissory Note secured by a Deed of Trust on the property purchased.

FAIR HOUSING POLICY

The City and other entities acting on behalf of the City in the administration of this Program will not discriminate against any Participant for a loan. The City will also urge Participants to examine all housing opportunities throughout the City.

PUBLIC INFORMATION

The City will provide information to the public on the Program. Some of the available resources are:

- Public notice
- Press release
- City website
- Advertisements in local newspapers
- Notification to local Board of Realtors
- Meetings with local brokers (as requested)
- Community meetings, home-buyer fairs, and seminars
- Meetings with residents of lower income census tracts

The following information will be provided during the course of these activities:

- Objectives of the Program
- Terms of the financial assistance
- Eligibility criteria
- Income limits
- Other information helpful to the first-time homebuyer

DETERMINING PROPERTY VALUE

The process for determining the property value for a HOME-assisted property for a new homebuyer is as follows:

- An appraisal performed by a licensed fee appraiser. Sales price must not exceed 95% of the area median purchase price as established by HUD
- Establish local limits and obtain HUD approval

DISCLOSURE OF VOLUNTARY SALE NOTICE

A description of the Disclosure of Voluntary Sale Notice (Exhibit E), which contains the items listed below provided to the seller prior to making the purchase offer, as follows.

- The purchaser has no power of eminent domain and therefore will not acquire the property if negotiations fail to result in an amicable agreement;
- An estimate of the fair market value of the property;
- That the property is owner-occupied or purchased by an existing tenant;

- If an acquisition notice will not be provided prior to the purchase offer, a provision that the seller may withdraw from the agreement after this information is provided.

LEAD – BASED PAINT

Environmental requirement for special issues/consideration and regulatory citations and references for pre-1978 units, as follows:

- Notices to purchasers and tenants
- Visual assessment must be performed
- Paint stabilization must be completed (if applicable)
- Safe work practices and clearance
- Compliance with Title 24 CFR 92.355
- Lead-Based Paint Poisoning Prevention Act of 1971 (42 U.S.C. 4821 et.seq.)
- 24 CFR Part 35
- 982.401(j) (except paragraph 982.401(j)(1)(i))

DOUBLE DIPPING

No additional HOME funds may be provided to a HOME-assisted project during the relevant period of affordability, except that:

- A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds.

DEFAULT

In the event that the Applicant fails to adhere to the conditions and restrictions contained within the Written Agreement between the Applicant and the City, the City reserves the right to terminate the individual's participation in the Program and/or demand full repayment of the loan.

ELIGIBLE APPLICANT

PROGRAMS is open to all applicants who meet the eligible household requirements provided above. The City, in recognition of the high proportion of elderly and special needs families that reside in substandard housing within the City, will provide a priority to owner occupants that are elderly and/or disabled.

An Applicant(s) owns and occupies the property where proof of ownership is established through a legal Deed of Trust. Assistance from the City shall be available only to Applicants who:

- Have the capacity and authority to competently enter into financial and contractual agreements;
- Whose household income that does not exceed 80% of the area median income adjusted by family size (See Qualifying Households);
- Agree to comply with any and all applicable permits, codes, and/or other City regulations;

- Agree to sign and abide by the Written Agreement and Promissory Note between the City and the Applicant(s); and
- Agree to vacate the property during the rehabilitation period at their own expense

NOTE: Elderly is defined as being above 55 years of age. Disabled is defined as having a recognized disability under the Americans Disabilities Act.

FIRST TIME HOMEBUYER

Based on applicable Federal and State regulations, in order to qualify for the Program, a Participant must meet the following requirements:

- The Participant(s) may not have held an ownership interest in a principal residence within the past three years. The Participant applying for a Program loan cannot have had interest in a home, or have had an outstanding debt on a home within the last three-year period ending on the date the mortgage is executed. This requirement qualifies the borrower as a "first-time homebuyer" under Federal law. In general, household(s) (which includes anyone who will be living in the home regardless of relationship) who do not own a home at the time of application; and have not owned a home, held interest in a home, or have an outstanding debt on a home within the last three years from the date of the application can qualify. To be eligible, the combined income of the household (again, anyone who will be living in the home regardless of relationship) must not exceed the limits as set by the U.S. Department of Housing and Urban Development and no member of the household may currently own any residential property. In addition, the applicant(s) (who will be listed on the deed) must have been employed in the same line of work for at least 24 months; have a good, established credit history and be approved for credit by a participating lender; and be either a U.S. Citizen, or have obtained legal permanent residency immigration status.
- Exceptions to the three (3) year time period shall be those listed under the definitions section of the HOME Regulations. The Participant must present an affidavit to the effect that the Participant had no ownership interest in a principal residence at any time during the three-year period prior to the date on which the mortgage relating to the Program Loan is executed. To demonstrate compliance with this three-year requirement, the Participant must complete and sign the Program affidavit and provide copies of their last three (3) years signed, state and federal tax returns (or acceptable alternative exhibits as noted below). This information will be verified by City staff through an acceptable real estate record/database search.
- Exceptions to the rule include property lost as a result of divorce, where the Participant was unable to retain ownership of the property.
- The Participant must submit with the application to the City, a signed 1040A, 1040EZ, or 1040 federal income tax returns for the three preceding years with all schedules which demonstrate that no deductions were taken for mortgage interest or real estate taxes for a principal residence.

If the Participant filed the 1040 Long Form and cannot produce an original copy of the signed tax returns, the Participant can request a copy of the returns from the IRS by using IRS Request Form 4506. The Participant should allow approximately 45 days for receipt of copies from the IRS.

- If the Participant has filed the short form 1040A or 1040EZ for the last three (3) years, completed and signed the required affidavits, but is unable to produce the signed returns, the City will accept a letter from the IRS verifying the filing status of the Participant. The letter should confirm that the Participant filed the 1040A or 1040EZ for the years in question. The Participant can request tax account information, which is available free of charge, from the local IRS office. This information will be provided on IRS Letter Form 1722 and will include: (1) name and social security number; (2) type of return filed; (3) marital status; (4) tax shown on return; (5) adjusted gross income; (6) taxable income; (7) self-employment tax; and (8) number of exemptions. If the address on the tax returns filed is different from the current address, the Participant should also provide a handwritten note (signed by all Participants) indicating that the previous returns had been filed at a different address.
- Note: The tax account information should be requested, in person, from the IRS office. The Participant can expect a written reply within (15) fifteen days. The tax returns must have an original signature certifying, "They are a true and exact copy of the returns submitted to IRS". In the event the Participant was not obligated to file Federal income tax returns for any of the preceding three (3) years, it will be necessary for the Participant to provide a completed and signed Income Tax Affidavit. This will be required in place of above, along with the other Program Affidavits. This document is to be presented to the City with the Application Affidavit. The Income Tax Affidavit must be accompanied by documented proof of the reason for not filing tax returns. For example, if the Participant were in school, a copy of transcripts to support the status of the Participant for that period of time would be required. The affidavit must also be accompanied by documented proof that the Participant was a renter during the specified period (i.e., a notarized letter from the landlord or manager, rental/lease agreement, canceled checks, rent receipts, or other acceptable methods of verification).
- When a Program application is submitted during the period between January 1 and April 15 and the Participant has not yet filed their Federal income tax return for the preceding year with the IRS, the City may, with respect to such year, rely on an affidavit of the Participant that the Participant is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting their principal residence for the preceding calendar year. The affidavit must be forwarded to the City with the submission package.
- Notwithstanding the above, at the discretion of the City, this requirement may be modified or waived in order to allow households meeting all other eligibility criteria to participate in the Program. Special circumstances will be documented and consideration given to households that have sold or transferred an ownership interest, because of death or illness of spouse or dissolution of marriage, job-related relocation, or other significant reasons.

QUALIFYING HOUSEHOLDS 24 CFR 92.203

- The Program is targeted at owner-occupant households who have resided in their home for at least one (1) years, and
- That are at or below 80 percent of the LA MSA AMI
- Owner-Occupants are all persons listed on the deed.
- A household includes all persons living in the unit at the time of application, except persons who are paid caregivers of elderly or handicapped individuals.
- All members of the Household must be U.S. Citizens or Resident Aliens.
- Each member of the household must provide a social security number at the time of application.

The income limits for the Program are updated annually based on the County of Los Angeles Area median income and household size as follows:

FY 2024 Income Limits

<u>Family Size</u>	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
Maximum income	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750

NOTE: Income limits are adjusted annually. HUD is subject to change their median income percentages per year. This is subject to change.

DETERMINATION OF HOUSEHOLD ADJUSTED GROSS INCOME 24 CFR § 92.203

In calculating adjusted gross income, the applicant's income and that of all other household members at the time of application shall be considered. The income of household members under eighteen (18) years of age will be excluded. The income of any persons who are paid caregivers of elderly or handicapped individuals will be excluded.

A household member is any person residing in the household at the time of application.

Income is defined as follows:

- The full amount before any payroll deductions of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services;
- The net income from an operation of a business or profession, as calculated by averaging the net income as reported in their Federal Income Taxes for the past three years;
- Interest, dividends, and other net income of any type from the real or personal property (where the family assets are more than \$50,000, excluding property, adjusted gross income shall include the greater of the actual income derived from all assets or percentage of such assets based on the current passbook savings rate);

- The full amount of periodic payments received from social security, annuities, insurance policies, retirements funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- Payment in lieu of earnings, such as unemployment, workers' compensation, severance pay, welfare assistance (NOTE: Such payments may be excluded by the lending institutions providing the first mortgage for purposes of underwriting, but shall be included in eligibility determinations for this Program);
- Periodic and determinable allowances, such as alimony and child support payment, and regular contributions or gifts received from persons not residing in the dwelling to the extent that such payments are reasonably expected to continue;
- All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the family, spouse, or other person whose dependents are residing in the unit;
- Any earned income tax credit to the extent it exceeds income tax liability;
- Any other income that must be reported for Federal and State income tax purposes; and,
- Gross Self-Employed income as reported on Schedule C, IRS 1040, will be adjusted to reflect deductions for necessary and reasonable business expense.

NOTE: According to Technical Guide for Determining Income and Allowances for the HOME Program Adjusted income is not needed for HOME funded owner-occupied rehabilitation or homebuyer programs.

ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

Where a family has net family assets more than \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property other than the household's full-time residence, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

Inclusions

- Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
- Cash value of revocable trusts available to the Participant.
- Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.

- Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
- Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
- Retirement and pension funds.
- Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
- Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
- Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.
- Mortgages or deeds of trust held by an Participant.

Exclusions

- Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
- Interest in Indian trust lands.
- Assets not effectively owned by the Participant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
- Equity in cooperatives in which the family lives.
- Assets not accessible to and that provide no income for the Participant.
- Term life insurance policies (i.e., where there is no cash value).
- Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

QUALIFYING PROPERTIES

In order to qualify for the PROGRAMS, properties must be:

- Located within the City limits;
- Be held in fee simple by the applicant(s) as defined herein;
 - Properties held in a life estate, cooperative units or properties that include residential or commercial rental property are not eligible for PROGRAMS.
- The property shall be free of negative encumbrances on title.
 - All trustees must sign all the appropriate documentation required by the City.
- Property taxes must be current on the property.

- The property must have a rehabilitation cost that does not exceed seventy-five percent (75%) of the after-rehabilitation value of the property as determined by the City;
- Total debt on the property, including the PROGRAMS loan, may not exceed 100% of the after rehabilitation appraised value of the property.

STAFFING THE PROGRAM (STAFFING PLAN)

It is the intention of the City to administer the majority of the PROGRAMS in-house. However, to the extent necessary the City *may* utilize other agencies including, consultants, and private lenders.

City of Huntington Park Organization Roles and Responsibilities

For questions concerning the HOME Program, individuals may contact the Planning and Community Development's Economic Development Division staff directly by telephone, or e-mail. The mailing address is City of Huntington Park, CA, City Manager's Office, 6550 Miles Avenue Huntington Park, CA 90255 c/o City Manager, Room 205.

The table below summarizes the City of Huntington Park staff roles and responsibilities in administrating the City's HOME Program.

CITY OF HUNTINGTON PARK STAFFING PLAN		
Ricardo Reyes, City Manager	323-582-6161	citymanager@hpca.gov
Steve Forster, Community Development Director	323-582-6161	SForster@hpca.gov
Ishah Ahumada, Project Manager		IAhumada@hpca.gov

PROGRAMS PROCEDURES

The Project Manager with assistance from the Administrative Secretary and/or its consultants will complete the following procedures:

1. Provide the Borrower with the First Time Home Buyer Program application and other forms required by the Guidelines for participation in the Program.
 - The Programs Application Form shall be completed by everyone who lives in the home to be rehabilitated (single family).
 - The application for multifamily shall include rental property household member information forms and appropriate release of information forms.
2. Complete a title search to identify all persons on title.
3. Verify of Income of every member of the household above the age of 18, (unless enrolled full time in school), who earns any income.
4. Verify benefits and employment and make sure the forms are signed by the borrower(s).
5. Obtain the borrower's signatures on the Program application and all other appropriate application forms.

6. Review the borrower's most recent property tax information and identifying parcel number.
7. Verify borrower signature on Fair Lending Notice.
8. Verify borrower signature on Statement of Understanding (if applicable).
9. The Project Manager shall obtain a credit report for all persons on the title.
10. The Project Manager shall obtain a Limited Coverage policy of title insurance prior to closing any Program loan from a title insurance company doing business in Los Angeles County for all PROGRAMS loans.
11. The Project Manager shall obtain a standard CLTA Lender Guarantee policy of title insurance from such title company for all Owner-Investor loans.
12. Prior to closing a Program loan, the Project Manager shall review the condition of title and, based on that review, close the loan only if the title exception(s) disclosed do not materially affect the collateral given to secure the loan.
13. The consultant shall prepare an Environmental Review in the form approved by the City. Said Review shall describe any adverse environmental effects of the loan-funded improvements that are likely to occur.
14. The completed Environmental Review will be submitted to the City's Planning and Community Development Director for its review and approval prior to closing the loan.
 - a. The Project Manager will not approve any proposed loan if the loan funded improvements are likely to have a significant adverse impact on the environmental, as defined by the National Environmental Policy Act (NEPA).

OTHER PROGRAMMATIC REQUIREMENTS

- 1) **Violations and Penalties:** The City shall demand full repayment of the principal and interest on the loan if the borrower willfully and knowingly made a false statement or representation, or knowingly fails to disclose a material fact for the purpose of qualifying for the program, or, in completing certifications, affidavits, or re-certification documents.
- 2) **Bonus, Commission or Fee:** The Participant shall not pay any bonus, commission or fee, for the purpose of obtaining approval of the City loan application, or for any other approval or concurrence required by the City.
- 3) **Conflict of Interest** No Citywide Homebuyer Loan will be granted to any member of the governing body of the City, nor any designee of the City, nor to any staff member who exercises any functions or responsibilities in connection with the administration of the Program; no member of the above stated organizations shall have any interest, direct or indirect, in the proceeds from the Citywide Homebuyer Loan or in any contract entered into by the Participant for the performance of the work financed, in whole or in part, with the proceeds of the loan.
- 4) **Equal Opportunity Policy:** In accordance with federal requirements, the City shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin,

marital status, ancestry, or physical handicap in accepting applications and processing City loans.

- 5) **Fire and Flood Insurance Requirements:** Participants are obligated to carry sufficient fire insurance coverage (and flood insurance where applicable) on the property to be purchased under this Program, prior to any loan assistance. Minimum fire insurance coverage for each dwelling unit must be equivalent to the value of dwelling including rehabilitation improvements, if applicable. Uninsured Participants must obtain coverage in the required amount prior to receiving assistance. City shall be named as a beneficiary on all insurance policies and shall be notified of modifications or cancellations of insurance coverage. Participants in a 'Flood Hazard Area' will be required to purchase flood hazard insurance if required by the federal government.
- 6) **Lead Base Paint Notification:** The City, as part of the application process shall provide a Lead Base Paint Notification to all Participants. Such notice shall be signed and dated by the Participant and a copy shall be maintained in the project file. A lead base paint visual inspection shall also be performed as part of the initial inspection and any corrections must be made prior to close of escrow (Exhibit D).
- 7) **Conflict Resolution:** Complaints concerning the Program must be in writing and addressed to the Management Analyst. The Management Analyst will contact the complainant and attempt to resolve the problem. A written response will be made within thirty (30) days of receipt of a written complaint. If the complainant is not satisfied after the written response, a complaint may be filed with the Community Development Director who will schedule a meeting with the /Management Analyst. A written response will be made within fifteen (15) working days of the receipt of the subsequent complaint.

COMPLIANCE MONITORING

Participants receiving assistance will be required to demonstrate at least annually that the household is owner-occupied. **EXCEPTION:** Participant may request a temporary waiver of the principal residence requirement in situations involving extreme hardship, such as the property owner temporarily placed in a nursing home. The waiver request shall be submitted to the Community Development Director or like, at which time a decision will be rendered within eight (8) business days.

FINANCING

Households financing the purchase of a qualified unit must meet the financing criteria set forth below.

First Deed of Trust

In order to finance a home under this Program, Participants must obtain a mortgage loan secured by a First Trust Deed from a private lending institution. Any institutional lenders approved by the State of

California and the Fannie Mae Community Seconds Program may participate in the Program. The financial criteria used by the private lender may be different and possibly more stringent than that used by the City. Default in payments on the first mortgage will also cause a default in the second trust deed loan, and may result in foreclosure. The City is not required to approve any financing that cannot be demonstrated to be at fair market lending rates in the City's sole and exclusive discretion.

Second Deed of Trust

While the first mortgage loan is obtained from a private lender, with conventional terms of financing, the second mortgage is provided by the City under the following terms:

Terms of Down Payment Assistance Loan	
1. Maximum assistance	The amount required to make the home purchase affordable, not exceed \$70,000.
2. Interest rate	Declines per year of ownership of home on .5% rate
3. Down payment	A minimum of three percent (3%) of the sales price excluding closing costs.
4. Loan to Value	Total encumbrances (the sum of the first lien and the City Loan) may not exceed ninety-seven percent (97%) of the current fair market value of the property as determined by the private lender's appraisal.
5. Security	Subordinated second trust deed.
6. Back-End Ratio	Back-end housing cost ratio of not more than 55%. This is a ratio that indicates what portion of a person's monthly income goes toward paying debt. Total monthly debt includes expenses such as mortgage payments (made up of PITI), Homeowner Association fees (HOA), credit card payments, child support, loan payments, etc. <u>Back-End Ratio=Total Monthly Debt Expense</u> <u>Gross Monthly Income</u>
7. Term of Loan	Payments of the principal (interest and equity share as applicable) are due upon sale, transfer, or maturity of loan (30 year term). If the property is refinanced to take out equity, it is no longer occupied by the owner, or the owner is in violation of any restrictive covenant, the loan will become immediately due and payable.
8. Main Covenants	Affordability covenant is in affect for 15 years, criminal activity and maintenance covenants are in affect for the life of the City-funded loan.
9. Payments	Participant must maintain current payments on the first deed of trust, property taxes, HOA fees, and hazard insurance.

PROHIBITION OF CO SIGNORS

There will be no co-signing for the City loan by non-Participants. All Participants and co-Participants shall meet all of the eligibility requirements for a City loan.

PROHIBITION OF ADDITIONAL DEEDS OF TRUST

Without the consent in writing of the City, the property cannot be used to secure a debt other than the first mortgage held by a private lender and the second lien held by the City.

INSURANCE

The City requires that the Participant, during the term of the Loan, maintain an all-risk property insurance policy insuring the property in an amount equal to the full replacement value of the structures on the property. The City shall be named as a beneficiary on all insurance policies and shall be notified of modifications or cancellations of insurance coverage. The City will obtain Loss Payable Endorsements to said policies.

Any certificate of insurance must be, in form and content and with insurance companies, approved by the City.

USE OF PROCEEDS

The proceeds of the City's loan will be used as down payment assistance in order to provide a total down payment not to exceed 25% (Participant and City contribution combined), thereby making the property affordable to a lower income purchaser. Escrow closing costs may also be included as a part of the loan, inclusive of non-recurring acquisition costs, if the full assistance contribution by the City can be recorded as a lien against the property.

AMENDMENTS

These guidelines may be changed in the future by action of the City staff for programmatic reasons or to make certain technical changes as the Program is implemented due to regulatory changes applying to lenders participating in the Program, government requirements, or loan guarantee entities such as FHA (i.e. annual changes to income limits and purchase price limits).

EDUCATIONAL PROGRAM

The City understands that the success of the Program depends on the ability to clearly communicate the benefits of responsible homeownership. For this reason, Participants must attend and complete one of the many education programs available, that focus on the needs of homeowners as part of participation in this Program. All Participants must complete a homeownership class offered by the First Trust Deed lender.

The Community Development Department will maintain a list of agencies that provide housing-related services to homeowners. Information regarding the Community Reinvestment Act, Fair Housing Foundation, code enforcement, and graffiti removal programs are some examples of the information that will be available through the Program.

APPLICATION REVIEW

- The consultants will review all loan application documents and based on the documents shall make a determination of eligibility consistent with Programs Guidelines.
- If additional information or documentation is required to evaluate the proposed loan, the Insert job title shall request additional information from the borrower.
- The Project Manager and consultant will maintain confidentiality with respect to all financial information received from the borrower to the maximum extent permitted by law
- Once the application package is complete, and provided the borrower, the property and the proposed improvements meet all the eligibility requirements set forth in the PROGRAMS Guidelines, the Project Manager will prepare a summary analysis of the loan request and make a recommendation to the Planning and Community Development Director.
- These recommendations will be reviewed by the Planning and Community Development Director based on the following criteria:
 - Priority will be determined:
 - according to the City's Program waiting list
 - "first come first serve bases,"
 - immediate need,
 - project readiness basis;
 - The borrower, property, and proposed improvements meet all eligibility requirements contained in Section 3 of these Guidelines.
 - The proposed loan meets the Loan Criteria contained in the PROGRAMS Guidelines.
 - The proposed loan meets all PROGRAMS loan underwriting conditions.
 - The proposed improvements comply with all local, state, and federal regulations, including but not limited to:
 - Land Use Zoning;
 - Design Review;
 - Building Permits;
 - California Environmental Quality Act (CEQA);
 - National Environmental Policy Act [NEPA];
 - Davis Bacon Prevailing Wage; and
 - Other regulations which may be applicable.
 - No borrower shall be excluded or discriminated against because of race, color, religion, ancestry, sex, age, national origin, physical handicap, or any other legally prohibited basis.

EXCEPTION/SPECIAL CIRCUMSTANCES

The following procedures shall be used when considering any action which would depart from policy and procedures developed in the PROGRAMS Guidelines:

1. Consideration of exceptional/special circumstances may be initiated by either the borrower, Insert job title, or the Planning and Community Development Director.
2. A report will be prepared by the Insert job title that will be included in the borrower's loan application file, along with all other loan documents.
 - This report will contain a narrative, including relevant information provided by the borrower and the recommended course of action.
3. The City's Planning and Community Development Director or his/her designated representative will review the report and decide regarding the exception/special circumstances.
4. The recommendation shall consider use of, HOME Program PROGRAMS Program loan funds, Community Development Block Grant (CDBG), or other potential funding sources which may be used to address the exception/special circumstances.

APPEAL

1. A borrower may appeal in writing the decision of the City with respect to the approval or denial of a PROGRAMS loan to the City Manager within 30 days of the decision.
2. The City Manager will review the matter and decide the appeal which shall be the final decision of the City and there shall be no further appeal from that decision.

CHAPTER 6: TENANT BASED RENTAL ACTIVITIES

INTRODUCTION

The City of Huntington Park receives its funding for the Tenant Based Rental Assistance (TBRA) Program from the United States Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships program (HOME). The City is authorized by federal regulations to develop and operate HOME eligible housing programs for low-income households and families. The City must ensure compliance with federal laws, regulations, and notices, and must establish policies and procedures to ensure consistency in program operation and compliance with established regulations.

NOTE: City Staff shall maintain documentation proving completion of the training course titled Building HOME: Tenant-Based Rental Assistance (TBRA) on HUD Exchange prior to implementing Homeowner Rehabilitation Activities.

Purpose and Use

The attached program guidelines have been developed to facilitate the efficient and effective operation of the HOME TBRA Security deposit program for the City of Huntington Park. The TBRA program will be administered by a contract entity, currently The City Software. Funding for this program is provided under Title II of the National Affordable Housing Act (1990) through the HOME Investment Partnership Program (HOME). The City sets-aside a portion of its HOME allocation to provide assistance to persons at-risk of, or currently experiencing homelessness, with the following preferences:

- Current resident of the City of Huntington Park with the intention to continue residing in the City of Huntington Park.
- Families with children under 12.
- Veterans with a valid DD-214 (honorable discharge); and
- Elderly persons as defined by the Social Security Administration as qualified for full retirement qualification; and
- Disabled persons as defined by the Social Security Administration as qualified for full disability retirement.

Primary Objective

The primary objective of the TBRA program is to assist eligible applicants to secure safe, decent, and sanitary housing in the private rental market in the City of Huntington Park. This program assists residents in need with the ability to access housing using security deposit assistance for rental housing. This will give households the ability to remain in the City of Huntington Park while, at the same time, accessing more affordable move-in costs.

Equal Opportunity

The City of Huntington Park's HOME TBRA Security Deposit program is a federally funded program through federal HOME Investment Partnership Funds. This is an equal opportunity program. The City

does not discriminate based on race, color, ethnicity or national origin, sex, religion, age, marital or familial status, sexual orientation, or disability in the provision of its services.

DEFINITIONS

- **AMI:** Annual Median Income is a group of charts that are prepared annually for all the Counties and metropolitan areas in the US. The charts document income levels for various federal programs. The charts are broken down into extremely low, very low income, low income, 80% of median, and median income.
- **Case Manager:** A case manager coordinates various services on behalf of an individual or family that needs assistance.
- **CFR:** The Code of Federal Regulations (CFR) is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the *Federal Register* by the executive departments and agencies of the federal government of the United States.
- **Elderly Participant:** Those persons defined by the Social Security Administration as qualified for full retirement benefits.
- **Disabled Participant:** Those persons defined by the Social Security Administration as qualified for full retirement benefits.
- **Family Obligations:** Formal document executed between the City and all adults living in the household. This contract spells out all the obligations that the City and the participant's household will be responsible to maintain the HOME TBRA security deposit.
- **FMR:** Fair Market Rent is a payment standard that is set for each county/metropolitan area in the nation that establishes a fair market rent for all rental units by bedroom size and unit type. The rent standard is calculated for the base rent and the average cost of utilities for modest rental housing units.
- **HAP:** Housing Assistance Payment is a contract between a tenant that is on a rental assistance program and the landlord that is providing a rental unit. The HAP contract spells out the terms of the agreement for the landlord to receive a monthly subsidy.
- **HCV:** The Housing Choice Voucher Program is a federally funded rental assistance program that provides "tenant-based" rental assistance so a tenant can move from one unit of qualified housing to another. The tenant pays at least 30% of their adjusted gross household income toward the rent and the voucher pays the balance of the rent up to HUD's Fair Market Rent established for the area.

- **HOME:** The HOME Investment Partnerships Program (HOME) is a type of United States Federal assistance provided by the U.S. Department of Housing and Urban Development (HUD) to Participating Jurisdictions in order to provide decent and affordable housing, particularly housing for extremely-low and very low-income Americans. It is the largest federal block grant to states and local governments designed exclusively to create affordable housing for low-income families.
- **HQS/NSPIRE:** Housing Quality Standards inspection was developed by HUD to set a national minimum housing standard for many of the housing programs funded by the agency. Beginning October 1, 2024, Housing Quality Standards will be replaced by NSPIRE standards.
- **Rent Limits:** The official listing of maximum unit rents by bedroom size and type of building. The Payment Standard is broken down by city or geographic area.
- **SNAPS:** The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program, provides financial assistance for purchasing food to low-income and no income people living in the U.S. It is a federal aid program, administered by the U.S. Department of Agriculture, though benefits are distributed by individual U.S. states.
- **SRO:** Single Room Occupancy. A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and/or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.
- **TANF:** Temporary Assistance for Needy Families (TANF) is one of the United States of America's federal assistance programs. It began on July 1, 1997, and succeeded the Aid to Families with Dependent Children (AFDC) program, providing cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services. This cash benefit is often referred to simply as "welfare."
- **TBRA Security Deposit Loan Agreement:** The security deposit assistance will be made in the form of a loan. The terms and conditions of the loan, including provisions for repayment and/or forgiveness, will be set out in the TBRA Security Deposit Loan Agreement.

ELIGIBLE BENEFICIARIES

- HOME eligible households referred by approved social services provider(s) for HOME TBRA security deposit assistance.
- In addition, the City has the current four (4) preferences. Preferences may be single or additive:

- Current residents of the City of Huntington Park with the intention to continue residing in the City of Huntington Park.
- Families with children under 12.
- Veterans with a valid DD-214 (honorable discharge).
- Elderly persons as defined by the Social Security Administration as qualified for full retirement qualification; and
- Disabled persons who qualify for full disability retirement

INCOME LIMITS

HOME TBRA is limited to households who are income eligible, which is here defined as being below 60% of median income by household size. Each year, 100% of the City's HOME TBRA funds will be used for income eligible families. The area median income is adjusted for household size as defined by the federal HOME Income Limits, established every year by HUD.

Eligibility will be verified prior to entering an agreement to receive TBRA funds. If a tenant or tenant family with verified income is on a TBRA waitlist for more than three months, income eligibility will be re-verified by program staff prior to receiving assistance in order to ensure that they still meet income eligibility for the program.

ELIGIBLE UNITS

Tenants who receive assistance from the City of Huntington Park's HOME TBRA can choose from any housing unit if that rental unit:

1. Meets HUD Housing Quality Standards (HQS), or a subsequent standard such as NSPIRE.
2. Has a rent that is reasonable when compared to similar unassisted units in the area ("rent reasonableness").
3. Households may select units developed or rehabilitated with HOME assistance. However, the City may not, and will not, require TBRA assisted households to select a HOME unit as a condition of receiving TBRA

INELIGIBLE UNITS

1. TBRA may not be used to assist a resident owner of a cooperative or mutual housing unit when that resident is recognized by state law as a homeowner.
 - a. However, under the provisions of some cooperative or mutual housing agreements, the units are considered rental housing under state law. The residents of this rental housing may receive TBRA.
 - b. Under any circumstance, a tenant who rents from an owner of a cooperative or mutual housing unit may receive HOME TBRA.

2. HOME TBRA may not be used to prevent the displacement of tenants from projects assisted with Rental Rehabilitation Program funds.
3. PJs may not provide HOME TBRA to homeless persons for overnight or temporary shelter.
4. HOME TBRA may not duplicate existing rental assistance programs that already reduce the tenant's rent payment to 30 percent of income. For example, if the household is already receiving assistance under the Section 8 Program, the household may not also receive assistance under a HOME TBRA program.
 - a. However, the household may still receive HOME TBRA Security Deposit assistance only if there is no other (Section 8/Housing Voucher) assistance program available.
5. The intent of TBRA funds is meant to temporarily assist families and individuals to obtain self-sufficiency and not to make mortgage payments. Therefore, rent-to-own leases, in which monthly rental assistance payments are used as mortgage payment, are not permissible. Landlords cannot be related to the participant or any other member of the household. This includes parents, grandparents, aunts, uncles, or blood relatives. Exceptions to this rule may be granted on a case-by-case basis where the tenant has very special housing needs and the only way to accommodate these needs is through a family member or relative providing the rental unit. This process must be fully disclosed to the City and its Contractor, The City, for review and approval. The applicant and their Case Manager must present the request, in writing, explaining the situation.

PROHIBITION AGAINST DUPLICATE ASSISTANCE

Participating households cannot receive TBRA, including security deposit assistance, if they are receiving assistance under another federal, state, or local program IF the HOME subsidy would result in duplicate subsidies.

INELIGIBLE USES OF TBRA ASSISTANCE

TBRA assistance cannot be used in the following instances:

1. TBRA assistance cannot make commitments to specific owners for specific units/projects. Tenants must be free to use assistance in any eligible unit.

2. TBRA assistance cannot assist resident owners of cooperative housing that qualifies as home ownership housing. TBRA may, however, be used by a tenant who is renting from a cooperative unit owner.
3. TBRA assistance cannot pay cost overruns, such as late fees.
4. TBRA assistance cannot prevent displacement of or provide relocation assistance to tenants as a result of activities other than the HOME Program.
5. TBRA assistance cannot provide TBRA to homeless persons for overnight or temporary shelter. The HOME TBRA security deposit assistance must enable the homeless person to rent a transitional or permanent housing unit that meets Housing Quality Standards (HQS) or subsequent standard, such as NSPIRE.

SUPPORT SERVICES

The City of Huntington Park does not provide any support services in conjunction with the Security Deposit assistance. The City does not mandate that an individual relate to support services related to their disability. The City does encourage everyone with a disability to have a strong connection with a support service provider and have an active treatment plan.

DETERMINING INCOME AND ALLOWANCES 24 CFR 92.203

The City of Huntington Park, and The City, will use the HUD Technical Guide for Determining Income and Allowances for the HOME Program and HUD 24 CFR 92.203 for determining annual household income for all program participants.

FY 2024 Income Limits

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Maximum income	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750

NOTE: Income limits are adjusted annually. HUD is subject to change their median income percentages per year. This is subject to change.

Annual (gross) income is needed to determine whether a household is income eligible for participation in many Federal assistance programs. In contrast, adjusted income as defined in 24 CFR 5.611 is used to determine total tenant payment (TTP), which is a measure of a household's ability to pay housing costs.

Under the HOME Program, adjusted income is needed for calculating:

- The subsidy and tenant's share of rent under a HOME-funded tenant based rental assistance (TBRA) program. This calculation is done when the tenant first receives assistance and whenever the tenant's income is recertified;

- The rent for a tenant in a HOME assisted rental unit whose rent must be adjusted because the household income increases above 80 percent of the area median; and
- The household's eligibility for, and amount of, assistance to be provided under the Uniform Relocation Act (URA) or Section 104(d) relocation and tenant assistance requirements.

Typically, under HOME rental housing programs, the rent each family pays is based on "high" and "low" HOME rents established for each unit in the project. The family's rent is established for the unit they will occupy, not its ability to pay.

HOME Program rules do permit PJs to design a program in which rents are based on the household's ability to pay, however. When a PJ elects this option, it must use adjusted income in its rent calculation. The deductions (also called allowances) of 24 CFR 5.611 must be applied whenever adjusted income is required (as outlined previously) regardless of the definition of annual income used by the PJ to determine initial eligibility.

How is Adjusted Income Calculated?

Adjusted income is derived by subtracting any of five deductions (or allowances) that apply to the household from the household's annual (gross) income. The household's eligibility for deductions depends, in part, on the type of household that it is. Not all households are eligible for all deductions.

Type of deduction permitted:

- **Elderly or disabled households:** An elderly household is any household in which the head, spouse, or sole member is 62 years of age or older; two or more persons who are at least 62 years of age live together; or one or more persons who are at least 62 years of age live with one or more live-in aides.
 - Elderly or disabled household deduction
 - Deduction of \$400 per household
 - Dependent deduction
 - Deduction of \$480 from annual income for each household dependent.
 - Child care deduction
 - Reasonable child care expenses for the care of a child aged 12 or under may be deducted from annual income.
 - Medical expenses deduction
 - Elderly or disabled households that have no disability assistance expenses may claim as a deduction medical expenses that are more than three percent of annual income
 - Disability assistance expenses deduction

- Disability assistance expenses can also be deducted from annual income to the extent that they exceed three percent of annual income.
- **Non-Elderly or non-disabled households:**
 - Dependent deduction
 - Deduction of \$480 from annual income for each household dependent.
 - Child care deduction
 - Reasonable child care expenses for the care of a child age 12 or under may be deducted from annual income.
 - Disability assistance expenses deduction
 - Disability assistance expenses can also be deducted from annual income to the extent that they exceed three percent of annual income.

HOUSEHOLD IDENTIFICATIONS

Every household member is required to provide two pieces of identification (both adults and children). Acceptable forms of identification include birth certificates, social security cards, state issued IDs, and driver's licenses. Copies of these identifications will be kept in the tenant's file. Photo IDs are required for all adult members of the household.

RESIDENCY REQUIREMENT

The City requires that to be eligible for the HOME TBRA program the applicant and the applicant's household members be residents of the City of Huntington Park before they can apply for the HOME TBRA security deposit assistance program.

SECURITY DEPOSITS – SPECIAL PROVISIONS

HOME TBRA funds can be used for security deposits for eligible participants. Security deposits cannot exceed the amount of two months' rent, or the current State of California maximum limit. The security deposit should be reasonable for the area and equal to what a non-subsidized tenant would pay for the same unit. The security deposit will be paid by the City, or its Contractor, directly to the landlord. In addition:

1. Security and utility deposits are to be paid to the landlord or property manager directly in the form of a 0% loan to the tenant, in accordance with the terms stated in (3) below.
2. As stated earlier, participant referral from a supportive services organization serving residents of the City of Huntington Park is required as part of the qualification criteria for applying for TBRA assistance.

3. TBRA assistance is to be returned to the City by the Landlord upon move out of Participant to be reused for the TBRA assistance program.

PET DEPOSITS

HOME TBRA funds, including security deposit assistance, cannot be used to pay pet deposits. The tenant will have to use their own funds to pay a pet deposit.

SERVICE ANIMALS

A service animal is not considered a pet. Any applicant that has a service animal or expects to acquire one during the time they will be assisted by the HOME TBRA security deposit assistance program will have to provide certification from a medical doctor or a psychologist that the animal is acting in the capacity of a service animal. In most cases, a landlord cannot charge a pet deposit for a service animal. The tenant is responsible for any damage done to the rental unit by the service animal.

UTILITY DEPOSITS

TBRA funds can be used for utility deposits in conjunction with security deposit assistance for utility connection fees at an approved rental unit. Funds would only be available to the extent that there is sufficient assistance available after making security deposit assistance on behalf of the participating household.

Funds can only be approved for utility deposits for services that the tenant will be responsible for paying. The funds can only be used for the electric, gas, water, sewer, and trash collection services, in accordance with federal requirements that only utilities otherwise governed by federally recognized utility allowance services are included. The utility deposit program does not include telephone, cable/satellite television, or Internet/streaming services.

This is a one-time service and will not be available to the participant if they move to another rental unit. The maximum grant for connecting utilities at an approved rental unit is \$500 for all services. The utility deposit funds are considered a grant and do not need to be repaid to the City or its Contractor. Any funds returned to the participant after the end of the tenancy will be considered the participant's funds.

All utility deposit funds will be paid directly to the utility provider and not directly to the participant. The participant will need to bring documentation from the utility provider that the service will be in the name of the participant and showing the amount of the required deposit and verification that the utility service will be connected in the participant's name once the deposit is received.

UTILITIES

If the participant is leasing a rental unit where they will be responsible for paying for the utility service. They must bring the City, or its Contractor, written verification that the participant can connect the service in their name prior to moving into the rental unit. It is important that the head of household, co-head of household, or another adult living in the household will have utility service connected in their name. The City, or its Contractor, will not permit utility service to be connected in a minor child's name or any other person that is not a member of the household. If these provisions cannot be met, then the City, or its Contractor, will require that the participant secure a rental unit that has all utilities paid by the landlord.

NON-REFUNDABLE FEES

Nonrefundable fees cannot be paid from TBRA program funds. There may be charges in addition to the security deposit at the time tenancy begins. These charges may be reasonable and nonrefundable. A cleaning fee, for example, does not negate the obligation of the tenant to maintain the unit in a normal sanitary manner. These nonrefundable fees or charges are separate items from the security deposit and, as such, are not covered by the security and utility deposit provisions above.

INVENTORY CHECKLISTS AND MAJOR TENANT RESPONSIBILITIES REGARDING SECURITY DEPOSITS

In order to protect the deposit and assure its return upon moving out (whether or not program funds are used), the City, or its Contractor, will assist the household to understand their responsibilities as summarized below:

1. Complete an Inventory Checklist at the start of occupancy (within seven days of move in).
2. Give the owner a forwarding address within four days after moving out. If the tenant does not do this, the right to an itemized list of damages from the owner is forfeited. However, this requirement only applies if the owner has informed the tenant of this requirement in writing within 14 days after the tenant has moved in.
3. Respond in writing if the participant disputes the charges against the security deposit within 7 days of receipt of notice. It is a good practice to retain some type of proof of mailing.

RE-CERTIFICATION

Recertification does not apply to HOME TBRA security deposit assistance programs only.

OCCUPANCY STANDARDS

The City, or its Contractor, occupancy standards are based on the following table:

Rental Assisted Unit Bedroom Size	Number of Persons	
	Minimum	Maximum
1	1	2
2	2	4
3	3	6
4	5	8

In addition, household composition is considered, and unit size is also based on the following:

Unit Size	Family Composition
1	1 adult or 2 adults (couple)
2	2 adults of the same or opposite sex living together in a non-conjugal relationship
2	1 adult and 1 child
2	2 adults (couple) and 1 child of any age

2	1 adult and 2 same-sex children
2	1 adult or a couple and 2 opposite sex children, both under 6 years of age

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3	1 adult or a couple and 2 opposite sex children when one child is at least 6 years of age
3	1 adult and 3 same sex children or opposite sex children all under 6 years of age
3	2 adults (couple) and 3 children
3	1 adult or a couple and 4 children (either all the same sex or any combination) where 2 children of the opposite sex will not share a bedroom unless both are under the age of 6
4	1 adult or a couple and 4 children, 3 of the same sex and 1 of the opposite sex, when all children are at least 6 years of age
4	1 adult or a couple and 5 to 7 children, providing children do not have to share a bedroom with the parent(s) <u>or</u> with a child of the opposite sex when either is over the age of 6 years

TENANT SELECTION

The City, and its Contractor (The City) maintains a separate Tenant Selection Policy and Outreach Strategy for the HOME TBRA security deposit assistance program that is made a part of this document as Appendix 1. This policy spells out the specific steps that an individual or family must

take to be selected for the program. Questions related to the Tenant Selection and Outreach Strategy should be directed to the HOME TBRA Program Manager.

To qualify for assistance an applicant must meet the following general requirements:

1. Household income must fall at or below 60% of AMI and household members must be residents of the City of Huntington Park.
2. The applicant and all adult members of the applicant's household must sign and agree to the program's terms and conditions.
3. All household members must provide two (2) forms of valid identification.
4. No member of the household shall be or is subject to a lifetime registration requirement under a State sex offender registration program.
5. No member of the household has been convicted of the manufacturing or the sales of methamphetamine on federal property.
6. Applicants on a waitlist are required to update their contact information while their name is on the waitlist.

LOCAL PREFERENCES

The HOME TBRA Program Manager may give an applicant preference once their name is on the waitlist due to severe emergency situations where the applicant or member of the applicant's household has a medical or emergency situation that warrants them being moved to the top of the waitlist. Please refer to the Tenant Selection Plan and Outreach Strategy in Appendix 1 for additional information related to the preferences for the HOME TBRA program

KEY PROCESSING STEPS FOR INITIAL PROGRAM START UP

Step 1: Marketing and Outreach Activities

- a. Public Announcement of Program.
- b. Outreach to Referring Agencies and to Eligible Households.
- c. Outreach to Prospective Owners.

Step 2: Accept Applications

- a. All applications must be in writing on a form prescribed by the City or its Contractor. The application includes information that enables the City or its Contractor to determine household income and eligibility.

- b. Each application received must be reviewed for completeness and to determine if the applicant is eligible. The City, the City's contractor, may elect to fully determine eligibility at the time the household makes application, or make the determination when the household is drawn from the waitlist.
- c. If an applicant is determined to be ineligible, they will be notified in writing. The written notice will identify the reason(s) the household is ineligible and state that the applicant has 10 days from the date of the notice to request an informal review of the decision.
- d. A tenant file will be created for each application. This file will ultimately contain the application, documentation of the household's eligibility, copies of program forms, unit information, correspondence, etc.

Step 3: Determine Eligibility

Applicants are selected from the waiting list in the order established by the City's contractor, based on its adopted preferences. To determine a household's eligibility, the Grantee must verify:

- a. The household's *eligibility status*. Eligibility is not always verified at the time of application, but it must be verified before the household receives assistance.
- b. The household's *size and composition*. This enables the Contractor to determine the unit size for which the household qualifies.
- c. Household income and adjustments to income. This enables the Contractor to determine if the household is income eligible. Verification of the information provided by the household can be accomplished through a variety of sources and documents.

Step 4: Issue Approval for Deposit Assistance

The issuance of approval authorizes the amount and timing of deposit assistance. The issuance involves working directly with the applicant on finalizing the required documents, getting signatures, and having a counseling session to brief the household on the rights, amounts, and responsibilities and obligations of assistance. The briefing will cover:

- a. Roles and responsibilities of the applicant, household members, owner, and the City's Contractor.
- b. Security deposit policy, including how much may be charged, who pays, and who receives any refund.
- c. Issuance Period and Extension Policies, and what happens in the event the lease is not executed and/or the family fails to take possession of the unit, including events such as failure to provide required appliances and to have utilities turned on in the tenant (participant's) name.
- d. Role of HQS/NSPIRE standards in unit approval and procedures for submitting the rental unit information form.

e. Households should be counseled against signing any lease or moving into a unit until the unit has been approved by the City's contractor.

f. Lead-Based Paint information.

g. Prohibited Lease Provisions/Lease Addendum

h. Fair housing information, including any search assistance that may be available, and the process for filing a complaint in the case of discrimination.

Step 5: Unit/Lease Approval

Once the household has located a unit and the owner has agreed to participate, the household and the owner jointly submit the Request for Unit Approval/Rental Unit Information form. The submission of this document triggers the inspection, deposit negotiations and review of the owner's lease.

- a. Housing Quality Standards: Each unit must be inspected to confirm that it meets HQS or NSPIRE if after October 1, 2024. If the unit initially fails HQS, the owner may be given a reasonable amount of time to correct deficiencies, or the participant may elect to look for another unit.
- b. Rent Determination: The rent for each must be determined to be reasonable when compared to comparable, unassisted units. See above for key components of Rent Reasonable determination.
- c. Lease Review: The City, or its Contractor, must review the owner's lease to assure that it does not include any of the prohibited lease provisions. The Lease Addendum provided by the City is required for all HOME TBRA-assisted units, including security deposit assistance.
- d. Final Subsidy Calculation: Once the unit has been approved, a final subsidy calculation is required to determine the amount and type of deposit assistance.

Step 6: Contract/Lease Execution

The Lease Agreement and Lease Addendum are executed by and between the tenant and owner only. At this time, The City's Contractor can provide the security deposit on behalf of the participant and any necessary final corrections can be made to the security documents ("loan") executed by the participant and the City/Contractor.

ELIGIBILITY AND INCOME CALCULATIONS

The City's will use the definitions of income established in the HUD Housing Choice Voucher program at 24 CFR Part 5, which is based on gross income before deductions. The City will follow

the guidance provided in HUD's Technical Guide for Determining Income and Allowances from the HOME Program Manual. Income will be verified in the following ways:

1. Third Party Verifications: Request for written income verification from the tenant's employer or other income source; must be pre-approved by the applicant.
2. Review of Documents: Documents include but are not limited to benefit award letters, pay stubs, bank statements, and income tax returns.
3. Self-Certification: This is the least preferred method but may be used if no other sources are available.

APPROVING RENTAL UNIT AND LEASE

Once the participant has located a unit and the owner has agreed to participate, the household and the landlord jointly submit the Request for Unit Approval. The processing staff are available to discuss the program with prospective landlords to answer questions and review the rental documents and procedures for the provision of security deposit assistance. Units identified by the program participant must be acceptable under the TBRA HOME guidelines. The following guidelines apply:

1. Rent Reasonableness:

The subsidized rent and unsubsidized rents charged for comparable units are similar. The City will use the Rent Reasonable checklist provided by HUD. Rental units that are found to be out of compliance with the HUD Rent Reasonableness standards will be rejected and the applicant will be asked to identify another suitable rental unit.

2. Housing Conditions:

HQS/NSPIRE will be applied to all units assisted with HOME TBRA funds. Enforcement of local codes may be applied in addition to HQS standards.

Contractor staff will schedule initial inspections with landlords upon receiving and approving a completed and signed Request for Unit Approval from the participant and landlord. The Contractor will schedule the inspection with the landlord. Landlords will be notified in writing of the inspection violations. If the landlord is not willing to correct the violations cited and to make the unit ready for move-in in a reasonable amount of time, the participant will be given a new Landlord packet and

be asked to look for another rental unit. The HOME Program regulation requires that all units assisted with HOME funds meet HQS/NSPIRE standards.

For HOME TBRA Security Deposit assistance only, annual HQS/NSPIRE inspection standards do not apply.

3. Size Requirement:

The City's program will use the Occupancy Standards in determining unit size for each household. Occupancy Standards are found in Section 20.

4. Lease Approval:

The lease must comply with the requirements in 24 CFR 92.253 (Tenant and Participants Protection). Once a unit meets HQS/NSPIRE, the landlord must provide a copy of the proposed lease to the City's Contractor, who will review the lease to assure that it does not include any of the prohibited lease provisions as outlined in 24 CFR Part 92 and 92.253(b).

RENT REASONABLENESS

TBRA assisted units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units. The City, through its Contractor, must document the basis for their rent reasonableness determinations. The prescribed form provides a rent analysis for three (3) comparable unassisted units. Key components of a comparability analysis include:

1. Location in Community: In many markets' location is the key determinant of housing price (i.e., good/safe neighborhood, close to schools/bus routes, etc.).
2. Size: Only units of comparable size (both in terms of number of bedrooms and square footage) should be used.
3. Rent for Unit: Amount of rent being charged by owner.
4. Utilities Included: Consider the type and fuel source of utilities.
5. Condition: Only units in similar condition should be compared.
6. Amenities: Consider such amenities as garage, appliances, and lot size.

EXECUTION OF LEASE, AND LEASE ADDENDUM

Once the unit has been verified to have passed and the lease has been reviewed and approved, the tenant and landlord can execute the lease and lease addendum, providing an original copy to the City's Contractor (The City). The HOME deposit assistance will not go into effect until the unit passes HQS and all above referenced documents are signed and returned, providing, of course, that deposit assistance can be processed concurrently with lease and lease addendum execution where that is possible.

ANNUAL LEASE AND REEXAMINATION ACTIVITIES

These do not apply to the HOME TBRA Security Deposit only program.

ONGOING PROGRAM RESPONSIBILITIES

On-going Contractor program responsibilities include:

1. Perform program duties, such as processing applications, maintaining files, processing deposit returns.
2. Take referrals from authorized referral agencies, such as City or County social services, or through CalAIM when that program is available.
3. Maintaining a wait list when the number of applicants exceeds available funding. If the wait list time to be served exceeds two (2) years, the wait list may be closed through a public process.
4. Monitor the state of the wait list. When the list is less than two (2) years long, use the appropriate public process to reopen list if it has been closed.
5. Maintain records in accordance with federal and state records retention requirements, answer correspondence, assist the City, auditors, and program monitors as required.

LEASE ENFORCEMENT AND TERMINATION OF TENACY

Neither the City, nor its contractors are a party to the tenant/landlord lease and will not be obligated to enforce or intervene in a tenant/landlord dispute and is not a party to any eviction process.

DUE PROCESS

The City and its Contractor is always willing to work with program participants who are experiencing problems that threaten to disrupt their housing stability. Participants are expected to observe and abide by all the rules of the TBRA program; when a participant or a member of the participants household violates one or more of these rules, there are two levels of review that can apply, depending on the situation.

1. HUD Requirement for Due Process

HUD regulations at 24 CFR section 582.320(b) requires “due process” be given to any participant whose rental assistance has been terminated because of program rule violations. Due process must consist of, at a minimum, the following steps as stated in the regulation:

- a. Written notice to the participant containing a clear statement of the reason for termination.
- b. A review of the decision, in which the participant is given the opportunity to present written or oral objection before a person other than the person (or a subordinate of the person) who made or approved the termination decision; and
- c. Prompt written notice of the final decision to the participant.

2. Informal Hearings

Based on the above, The City’s Contractor, The City, has a procedure whereby a participant who has been denied assistance or had the assistance terminated can appeal the termination. The following steps are required to initiate and conduct the informal hearing.

- a. The participant must submit a written request requesting an appeal of the household’s termination from assistance. Normally the participant responds by filling out a form that is attached to or is a part of the letter sent informing the participant of the termination.
- b. On receiving a written request for an appeal and the informal hearing is scheduled. staff person responsible for initiating the termination is mandatory. All other relevant persons, who may include the participant’s case manager, the landlord and any other persons who have first-hand knowledge or documentation of the issues involved – witnesses, in other words - are invited. The participant may be

represented by legal counsel at his or her own expense and may bring up to two additional persons to act as witnesses.

- c. Paragraph (2) of the HUD regulation establishing the due process requirement requires that an impartial person preside over the informal hearing. An impartial person is unfamiliar with the participant personally, has no prior knowledge of the issues that lead to the termination, and has no personal interest in seeing it resolved one way or another. This person is known as the Hearing Officer.
- d. The Hearing Officer will preside by examining all written and electronic documentation, hearing the testimony of all witnesses, and making the final decision on the appeal. The role of the staff person processing the file/assistance is to facilitate the presentation of evidence and to show how it was determined that termination was the appropriate step. The staff person will provide an agenda for the informal hearing and provide access to relevant records to everyone present at the meeting. Witnesses present will be called upon by the person presiding to present evidence.
- e. The presiding person should attempt to render a decision while the participant is still in attendance. If this is not feasible, the decision must be issued within five working days, and a letter will be sent to the participant documenting the final decision. The hearing decision is final and there are no further appeals process available.

3. Termination from Assistance Without Hearing or Due Process

Some actions by program participants can result in automatic termination from assistance without the need for a hearing or due process. Generally, these situations involve the participant's absence from the assisted unit, either because of long-term incarceration or because the participant has abandoned the unit voluntarily without giving notice.

PORTABILITY AND MOVING

There is no portability of HOME TBRA security deposit assistance outside the City of Huntington Park.

PROGRAM MONITORING AND EVALUATION

The City or a subcontractor will conduct periodic and annual examination of the HOME TBRA program to ensure program compliance to these program policies and procedures and to ensure compliance with HOME regulations. Staff will conduct compliance monitoring and will issue reports and findings to the Director. Compliance monitoring reviews will be focused on the following areas:

1. Compliance with policies set forth in this document, including but not limited to:
 - Accuracy of rent calculations
 - Organization of participants file and timing of annual recertification
 - Documentation and accuracy of calculating household income and income derived from assets.
 - Accuracy of Contractor billings to HOME
 - Accuracy of security and utility deposits
 - Soundness of Rent Reasonableness surveys
2. Compliance with local, state, and federal, fair housing laws and ordinances, including landlord discrimination complaints and Fair Housing violations.

LIVE IN AID REQUIREMENTS

The City and its Contractor has adopted the following guidelines related to live-in aides:

1. Definition of Live-in Aide: HUD 24 CFR 5.403

A person who resides with one or more elderly persons or nearly elderly persons or persons with disabilities and who:

- a. Is determined to be essential to the care and well-being of the persons.
- b. Is not obligated for the support of the persons; and
- c. Would not be living in the unit except to provide the necessary supportive services.

2. Essential Care

A medical doctor, psychiatrist, or a non-medical agency that provides services to people with disabilities, such as a Center for Independent Living, will have to provide written documentation that the TBRA participant needs the services of a live-in aide. The recommendations should be from a professional that is familiar with the participant and have direct medical or professional experience in the areas related to the participant's disability. The written documentation needs to define:

- a. the duration of the services (short-term or long-term care), and
- b. level of daily care that the person with a disability needs to be able to live in an

independent apartment or home setting (i.e. hours of care needed in a 24- hour period), and

- c. skill level of live-in aide (i.e. any specialized medical certification or training needed by the live-in aide to meet the needs of the participant)
- d. The written documentation needs to be on official letterhead from the medical professional or agency making the recommendation. The documentation needs to be dated within 60 days from the date that the services of the live-in aide will be required. The documentation should also give full contact information if there are questions concerning the recommendations.

3. Determining the Residence of the Live-in Aide

The City requires that the services of the live-in aid must be at an “arm's-length transaction” between the participant and the live-in aide. The aide must not have been a member of the participant’s household prior to becoming the personal care aide.

4. Relatives as Live-In Aides

A person that was or is a member of the participant’s household does not qualify as a live-in aide. If the participant wants to engage the services of a relative, the City requires that the participant certify that:

- a. The live-in aide is qualified to provide the needed care.
- b. The live-in aide was not part of the household prior to the participant enrolling in the TBRA program.
- c. There is no other reason for the aide to reside in the unit other than to care for the participant (i.e. the individual can demonstrate they have a previous residence they left in good standing).
- d. The aide and the participant will maintain separate finances.

If a participant has a family member or member of the participant’s current household that wishes to provide services for the TBRA participant and the family member does not meet the live-in aide requirements outlined above, **this family member can be part of the household, but their income will be counted as part of the household income.**

CHAPTER 7: CONSTRUCTION MANAGEMENT

CONSTRUCTION MANAGEMENT

In order to ensure HOME Program compliance and the overall success of projects, there are a wide number of critical tasks that the City must undertake to properly manage HOME-funded construction, including tasks such as formulating effective standards, managing inspections for quality, and the proper approaches to change orders, contingency funding, and periodic reporting by partners.

Part I of this section covers the applicable standards and codes while Part II addresses the City's HOME requirements related to the construction process and the procedures that the City has developed to effectively manage construction activities

STANDARDS AND CODE RELATED TO CONSTRUCTION

Property Standards (24 CFR 92.251)

Property standards are required in the HOME Program to achieve two major purposes:

- Set a minimum standard for habitability/functionality, for purposes of inspecting and specifying necessary improvements listed in the scope of work; and
- Establish materials, methods, and standards for any work to be performed.

The property standards that are applicable to the City's HOME Program are described briefly below.

Housing Codes/Standards

- Housing codes/standards specify the basic living and structural conditions for existing properties. They are used to determine if an existing residence is habitable and identify health and safety conditions.
- Housing codes/standards are used as the basis for initial inspections of existing properties to identify needed repairs and appropriate improvements. Their purpose is to ensure that existing housing is not occupied unless it is decent, safe, and sanitary.
- Waivers can be requested for rehabilitation developments if structural constraints prohibit adherence to the minimum design standards. Waiver requirements are detailed as part of the City's Minimum Design Standards.

Building Codes

- Building codes are a series of requirements that specify how new construction or rehabilitation work is to be carried out. They inform contractors about how to do the work and are used by inspectors to check completed work.
- The City of Huntington Park building codes are mandatory citywide. The City requires that, owners, and developers comply with the building codes adopted in the City's jurisdiction
- A number of related codes, such as the fire code and plumbing code, are incorporated into the City building codes.
- Most work governed by building codes requires that licensed contractors obtain permits prior to starting the work.

- A building permit alerts building officials and inspectors to the fact that certain types of construction are about to begin and completed work must be inspected to determine if it meets requirements.

Rehabilitation Codes

- Rehabilitation codes provide specific guidance about applying building codes to guide repair, remodeling, and rehabilitation of existing structures. Appendix J of the International Residential Code provides the minimum requirements for existing structures being rehabilitated.
- They serve the same purpose as building codes, but are moderated to be reasonable approaches to existing conditions because it would be very expensive (perhaps impossible) to renovate an existing older building to meet the same standards for new constructed buildings.

Rehabilitation Standards

- A rehabilitation standard defines the quality of materials and workmanship that must be used when a particular repair is made. Rehabilitation standards (sometimes called construction standards) speak to the quality, durability, and aesthetics of the end product.
- They define what methods and materials are eligible for HOME payment.
- The City of Huntington Park has adopted written rehabilitation standards for rehabilitation of owner-occupied units, single-family and multi-family, whether the work is done by contractors, or nonprofits.

SECTION I: SITE IMPROVEMENTS

NOTE: All work requires review by the Building Division regarding need for plans/permits.

SITE IMPROVEMENTS – OUTBUILDINGS

- REHABILITATION STANDARD: 75% or more salvageable
- Minimum Life: 5 Years
- Unsafe, illegal or unapproved structures, including outbuildings, additions and patio covers will be removed if it is not financially feasible (up to \$5,000) to complete rehabilitation required to make them structurally sound, leak free and building and zoning code legal.
- REPLACEMENT STANDARD: No outbuilding shall be provided.

SITE IMPROVEMENTS – PAVING AND WALKS

NOTE: Any work may require a permit from the Engineering Division.

- REHABILITATION STANDARD:

- Minimum Life: 15 Years
- Badly deteriorated, essential paving, such as front sidewalks, will be replaced to match. Deteriorated paving may be removed or replaced.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- Essential walks and drives shall be replaced with 4" thick, 4% air entrained, 3000 PSI concrete with metal reinforcement.

SITE IMPROVEMENTS – LANDSCAPING

- REHABILITATION STANDARD:
- Site shall be graded to direct water to run away from foundation. Trees that are too close to the structure shall be removed.
- REPLACEMENT STANDARD:
- Only for-sale homes' front yards may be landscaped with a \$500 maximum allowance

SITE IMPROVEMENTS – FENCING/GATES

- REHABILITATION STANDARD:
- Minimum Life: 5 Years
- Fencing shall be rehabilitated to meet the local code.
- REPLACEMENT STANDARD:
- When funding is sufficient for nonessential improvement, additional wood or wrought iron fencing may be installed to create defensible space in conformance with neighborhood/homeownership association requirements.

SITE IMPROVEMENTS – SWIMMING POOLS/HOT TUBS

- REHABILITATION STANDARD:
- Minimum Life: 3 Years
- Beyond scope of federal financing. Pools may be filled.
- REPLACEMENT STANDARD: N/A

SECTION II: EXTERIOR SURFACES

NOTE: All work requires review by the Building Division regarding need for plans/permits.

EXTERIOR SURFACES – EXTERIOR CLADDING

- REHABILITATION STANDARD:
- Minimum Life: 10 Years

- Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of one continuous coat of paint, and no exterior painted surface will have any deteriorated paint.
- REPLACEMENT STANDARD:
- Minimum Life: 25 Years
- Historically sensitive vinyl siding with 45-year material warranty.

EXTERIOR SURFACES – EXTERIOR PORCHES/BALCONIES

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- Unsafe or unsightly porches and balconies will be rehabilitated to conform closely with porches in the neighborhood. Porch rehabilitation will be structurally sound, with smooth and even decking surfaces.
-
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- Deteriorated porches and balconies shall be replaced with preservative treated structural lumber and tongue and groove pine or synthetic deck material. Replace with concrete if economically possible.

EXTERIOR SURFACES – EXTERIOR RAILINGS

- REHABILITATION STANDARD: None
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- Railings that do not meet the current code shall be removed and replaced with wrought iron or synthetic wood.

EXTERIOR SURFACES – EXTERIOR STEPS AND PATIOS

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- Steps, stairs and decks shall, be structurally upgraded to adopted building code; free from all significant deterioration.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- Any replacement patio, deck or stoop shall be of a minimum functional size, design and construction.

SECTION III: FOUNDATIONS & STRUCTURE

NOTE: All work requires review by the Building Division regarding need for plans/permits.

FOUNDATIONS & STRUCTURE – FIREWALLS

- REHABILITATION STANDARD:
- Minimum Life: 15 Years
- Party walls and garage ceilings shall be maintained without cracks and plaster deterioration and upgraded with 5/8" type X gypsum, glued and screwed to structure.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- All party walls shall conform to the 2010 edition of the California Building Code's new construction requirements for fire separation at both walls and roofs.

FOUNDATIONS AND STRUCTURE – FOUNDATIONS

- REHABILITATION STANDARD:
- Minimum Life: 20 Years
- Foundations shall be rehabilitated to be sound and water resistant if financially feasible.
- REPLACEMENT STANDARD:
- Foundation replacements above 25% are beyond the scope of the program and usually indicate an infeasible project.

FOUNDATIONS & STRUCTURE – STRUCTURAL WALLS

- REHABILITATION STANDARD:
- Minimum Life: 20 Years
- All structural members shall be free from deterioration, rot and termite damage and be sized in conformance to building code. Any member not in conformance with code shall be re-supported as determined by a structural engineer.
- REPLACEMENT STANDARD:
- Minimum Life: 40 Years
- Walls shall be 2" x 4", 16" on center with at least R-19 insulation and solid sheathing to match existing.

SECTION IV: WINDOWS AND DOORS

WINDOWS AND DOORS – INTERIOR DOORS PLACEMENT

- REHABILITATION STANDARD:

- Minimum Life: 10 Years
- All bedrooms, baths and closets shall have operating doors. Privacy locksets on bath and master bedroom. All other doors shall have passage locks. Recycle doors when possible.
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- Doors may be solid core or composite in paint grade jambs.

WINDOWS AND DOORS – EXTERIOR DOORS

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- Exterior doors shall be 1 ¾ inch thick, solid core, insulated to minimum R-6, weather stripped, operate smoothly, including a peep site, a dead bolt, and an entrance lock set. Rod iron installations require review by the Building Division.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- All replacement doors at the front of the property will be neighborhood sensitive, Energy Star, steel or fiberglass solid core doors with peep sight and deadbolt. Garage/house doors shall be 20 minute fire rated with self-closing hinges. Energy Star, solid core doors with peep sight, dead bolt, and entrance locksets shall be installed at entrances not visible from the front street. Garage doors shall be R-5, embossed metal with a lockable assembly.

WINDOWS AND DOORS – WINDOW PLACEMENT

- REHABILITATION/REPLACEMENT STANDARD: Bedrooms shall have all operable windows with a screen and meet egress requirements (one per room) per California Building Code.

WINDOWS AND DOORS – WINDOWS & SLIDING GLASS DOORS

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- All windows and sliding glass doors shall be weather tight, include a locking device, and where required for egress, be fully functioning/operational.
- REPLACEMENT STANDARD: Energy Star
- Minimum Life: 20 Years
- Double glazed, PVC or fiberglass, a minimum R-value of 2.8 (U=.33), SHGC of 0.30 and DP of 45.

SECTION V: ROOFING

ROOFING – FLAT AND LOW SLOPE ROOFING

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- Rehabilitate roofing when cost is less than 30% of total replacement cost.
- Built-up roofing, flashing and accessories shall be rehabilitated per California Building Code 2010 wherever a 5-year leak free warranty is available from a certified roofing company.
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- The most cost effective Energy Star certified roof of: 3 ply hot built-up, T.P.O. or EPDM per California Building Code 2010.

ROOFING – PITCHED ROOFS

- REHABILITATION STANDARD:
- Minimum Life: 10 years with warranty
- Rehabilitate when cost is less than or equal to 5% of total replacement cost.
- Missing and leaking shingles and flashing shall be rehabilitated on otherwise functional roofs per California Building Code 2010. Concrete, metal and tile roofs shall be rehabilitated when at all possible. Antennae and communication disks shall be permanently removed.
- REPLACEMENT STANDARD:
- Moderate: Minimum Life: 30 Years
- Fiberglass, asphalt, 3 tab, class A shingle weighing at least 235 and up to 270 lbs, architectural grade, 30-year warranty with ridge ventilation system per California Building Code 2010.

SECTION VI: INSULATION AND VENTILATION

INSULATION AND VENTILATION – ATTIC VENTILATION

NOTE: All new work requires permits from the Building Division.

- REHABILITATION STANDARD:
- Minimum Life: 5-Year
- Any pre-installed ventilation shall be maintained or if powered and not functioning, replaced.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years

- Attics will be ventilated with a minimum of one (1) square foot of free vent for each 150 square feet of roof area or be redesigned for integration with new insulation system. Solar powered roof vents may be used when possible.

INSULATION AND VENTILATION – BATH VENTILATION

- REHABILITATION STANDARD: None
- REPLACEMENT STANDARD:
- Minimum Life: 10 Years
- Energy Star, exterior ducted, 70 CFM, max 20 sones and separate switch or humidistat in all full and three quarter baths.

INSULATION AND VENTILATION – INFILTRATION

- REHABILITATION/REPLACEMENT STANDARD:
- Minimum Life: 5 Years
- All exterior doors and attic hatches shall be weather stripped. All visible cracks shall be caulked.

INSULATION AND VENTILATION – INSULATION

- REHABILITATION STANDARD: Not Applicable
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- Attic insulation goal is R-30, crawls spaces R19. New walls will be insulated to capacity with blown cellulose, fiberglass or closed cell foam to cavity capacity. Attic access panel must be insulated to R-30 with rigid foam.

INSULATION AND VENTILATION – KITCHEN VENTILATION

- REHABILITATION STANDARD: N/A
- REPLACEMENT STANDARD:
- Minimum Life: 5 Years
- Energy Star, exterior ducted range hoods or exhaust fans with less than 10 sones, at least 120 CFM and capped with a functional back draft.

SECTION VII: INTERIOR STANDARDS

INTERIOR STANDARDS – INTERIOR RAILINGS

- REHABILITATION STANDARD:

- Minimum Life: 10 Years
- Handrails will be present on one side of all interior steps or stairways with more than two risers and around platforms over 30" above floor level with adequate structural attachment, in compliance with the California Building Code 2010.
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- Hand and guardrails shall be replaced with universal design standard material and construction in compliance with the California Building Code 2010.

INTERIOR STANDARDS – INTERIOR WALLS AND CEILINGS

- REHABILITATION STANDARD:
- Minimum Life: 5 Years
- Walls shall be stripped of wallpaper, holes, cracks and deteriorated surfaces. All visual surfaces shall be patched and sanded as to create a smooth surface and recoated using premium, low VOC, vinyl acrylic paint.
- REPLACEMENT STANDARD:
- Minimum Life: 10 Years
- Walls shall be plumb, ceiling level with a smooth finish on at least 1/2" gypsum with water resistant board in wet areas. 5/8" Type X over 16" on center studs installed per the American Gypsum Association. Kitchen tile backsplashes and wainscot in ceramic tile baths.

INTERIOR STANDARDS – HAZMAT TESTING AND TREATMENT

- REHABILITATION STANDARD:
- SAFE PRACTICES
 - Low:
 - Minimum Life: 3 Months
 - Asbestos and lead paint hazards, when previously identified, shall be addressed in conformance with applicable local, state, and federal laws. Rehabilitated properties shall be cleaned to pass a Lead Dust clearance test to the levels prescribed by HUD regulations.
 - Moderate:
 - Minimum Life: 1 Year
 - All properties shall be visually inspected for asbestos and lead suspect materials. No friable asbestos and all interior and exterior lead suspect surfaces shall be repainted using premium acrylic latex. Properties shall pass HUD lead dust clearance standards prior to occupancy.
 - High:
 - Minimum Life: 1 Year

- All properties shall undergo visual "Risk Evaluations" by rehab supervisors and be treated with the most affordable interior, exterior and site clean-up to clearance standards.
- REPLACEMENT STANDARD:
- IN PLACE MANAGEMENT & ABATEMENT
 - High:
 - Minimum Life: 20 Years
 - After an inspection by an EPA Certified Inspector, all hazardous material shall be removed from all moving parts, floors and mouthable surfaces. Encapsulants and enclosures may be used.

INTERIOR STANDARDS – CLOSETS

- REHABILITATION STANDARD:
 - Minimum Life: 10 Years
 - Existing closets will be maintained.
- REPLACEMENT STANDARD:
- Minimum Life: 10 Years
- All bedrooms shall have a closet with a door, clothes rod, and shelf. Baths must include linen storage and coat hooks must be near the front door.

INTERIOR STANDARDS – FLOORING

- REHABILITATION STANDARD:
- Minimum Life: 10 Years
- Ceramic tile flooring may be rehabilitated and wood floors sanded and refinished. Salvageable carpet may be cleaned. Minimum life for carpet is 5 years.
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- Stone, tile or vinyl flooring may be installed over reinforced cement underlayment in baths. Wood or laminate flooring may be installed in living and dining rooms and halls. Kitchen and utility to be ceramic tile. FHA approved carpet over 6 lb rebond underlayment is allowed in bedrooms when economically feasible.

INTERIOR STANDARDS – APPLIANCES

- Assessment of existing appliances shall be made to determine if replacement is necessary.
- REPLACEMENT STANDARD: Energy Star and Water Sense. The following appliances are eligible to be installed only when funding allows:
 - Dishwasher: Energy Star rated;
 - Washing Machine: Energy Star rated (required);
 - Dryer: 7 CF with sensor dry system;

- Refrigerator: Energy Star rated (required);
- Range – Gas or electric, 4 burner;
- Garbage disposal – 1/2 hp, with minimum 3 year warranty;
- Microwave/Hood combination (if replacing current equipment); and
- Built-in Oven (to match) Energy Star rated.

INTERIOR STANDARDS – MINIMUM KITCHEN DESIGN

- REHABILITATION/REPLACEMENT STANDARD:
- Cabinet Storage: 2 bedroom – 8' minimum; 3 bedroom – 10' minimum; 4 bedroom – 12' minimum.

SECTION VIII: ELECTRIC

NOTE: All electrical work requires permits from the Building Division.

ELECTRIC – SPECIALIZED CIRCUITS

- REHABILITATION STANDARD: Rehabilitate existing devices to operate.
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- Kitchen receptacles within 6 feet of a sink, all bath receptacles and at least one exterior receptacle shall be protected by a GFCI. Arc fault receptacles shall be installed in all bedrooms, family, dining, and living rooms, closets, hall walls, and recreation rooms per National Electric Code 2008.

ELECTRIC – KITCHEN ELECTRIC DISTRIBUTION

- REHABILITATION STANDARD:
- Minimum Life: 15 Years
- Electric service may be supplied to trash compactors, microwave ovens, double ovens, range grills, and any appliance proposed for installation.
- REPLACEMENT STANDARD:
- Minimum Life: 15 Years
- Permanently installed or proposed stoves, refrigerators, freezers, dishwashers and disposals, washer and dryers shall have separate circuits sized to N.E.C. Two separate 20 amp counter circuits are required with each kitchen area.

ELECTRIC – FIXTURES

- REHABILITATION STANDARD: None
- REPLACEMENT STANDARD:
- Minimum Life: 20 Years
- All halls, rooms necessary to cross to other rooms and stairways must be well lighted and controlled by a 3-way switch using concealed wiring. Attics must have utility fixtures. All fixtures shall be Energy Star. Replace all incandescent bulbs with fluorescent or LED bulbs. Exterior door lighting shall provide 100 lumens at ground level (motion detectors allowed). Garage doors shall be equipped with electric openers with laser safety devices. Bedrooms and living areas may receive Energy Star ceiling fans.

ELECTRIC – ALARMS

- REHABILITATION STANDARD:
 - Minimum Life: 5 Year
 - Existing fire and smoke, CO shall be rehabilitated to operating condition. Security system may be rehabilitated as needed. Exterior doors shall be alarmed when pools are present.
- REPLACEMENT STANDARD:
 - Minimum Life: 15 Years
 - Directly wired, battery back-up smoke detectors are required on each dwelling floor. Interconnected smoke detectors are required for special needs and wheelchair users homes. CO detectors are required with all fuel burning furnaces. Security systems may be installed at 1st floor doors and windows when economically feasible.

ELECTRIC – INTERIOR DISTRIBUTION

- REHABILITATION STANDARD: None
- REPLACEMENT STANDARD:
 - Minimum Life: 20 Years
 - All rooms shall be rewired to the 2008 Edition of the National Electric Code using affordable fixture allowances and Energy Star fixtures. Minimum of one 20-amp circuit per room.

ELECTRIC – SERVICE AND PANEL

- REHABILITATION STANDARD:
 - Minimum Life: 15 Years
 - Distribution panels shall have a main disconnect, at least 10 circuit breaker protected circuits, a 100 amp minimum capacity and be adequate to safely supply existing and

proposed devices. Electrical panel shall be replaced if not properly grounded, to local codes. All panel upgrades require approval by Southern California Edison.

- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 Years
 - Single Family: 200 amp service with a 24 circuit panel is allowed for homes of up to 1,800 SF. Homes larger than 1,800 SF or all electric require 200 amp service with a main disconnect panel containing at least 30 circuit breaker positions.
 - Two-Four Family: 100-150 amp service to each unit with a main disconnect panel containing at least 20-24 circuit breaker positions. All panel upgrades require approval by Southern California Edison.

SECTION IX: PLUMBING SYSTEM

NOTE: All plumbing work requires permits from the Building Division.

PLUMBING SYSTEM – DRAIN, WASTE, VENT LINES

- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 Years
- ABS replacement lines shall be installed in accordance with the most recently approved version of the State of Illinois plumbing code.

PLUMBING SYSTEM – PLUMBING FIXTURES

- **REHABILITATION STANDARD:**
- Minimum Life: 5 Years
- All fixtures and faucets when replaced will be retrofitted with low flow aerators: kitchen faucets with a maximum flow rate of 2.0 gal/min; bath faucets with a maximum flow rate of 1.5 gal/min. Tub and shower valves shall have thermostatic or pressure balance valves.
- **REPLACEMENT STANDARD:** California Water Sense
- Minimum Life: 20 Years
- Single lever, low flow, 2.0 gal/min kitchen and 1.6 gal/min bath, metal faucets and 2.5 gal/min maximum shower diverters with lifetime drip-free warranty. White ceramic, 1.1 GPF ultra low flow toilets, double bowl stainless steel or porcelain kitchen sinks, fiberglass tubs and surrounds and steel or porcelain enameled 5' tubs. Tub and shower valves shall have thermostatic or pressure balance valves.

PLUMBING SYSTEM – PLUMBING MINIMUM EQUIPMENT

- **REHABILITATION STANDARD:** None
- **REPLACEMENT STANDARD:**
- Minimum Life: 10 Years
- Every dwelling shall contain a double or single bowl kitchen sink, and a 3-piece bath.

PLUMBING SYSTEM – FIRE SPRINKLERS

- **REHABILITATION STANDARD:** Rehabilitate all.
- **REPLACEMENT STANDARD:** Required in homes for wheelchair bound populations when economically feasible.

PLUMBING SYSTEM – WATER HEATERS

- **REHABILITATION STANDARD:**
 - Minimum Life: 5 Years
 - The minimum capacity for units with two bedrooms or less shall be 30 gallons, larger units shall have a minimum capacity of 40 gallons. Water heaters shall have pressure relief valves with drip legs that extend to within one foot of the exterior ground, in copper pipe. All water heaters shall have seismic strapping.
- **REPLACEMENT STANDARD:**
 - Minimum Life: 12 Years
 - Energy Star, high efficiency, pilotless, Energy Star, gas fired or dual element electric (0.97) water heaters with at least R-7 insulation and a 12-year replacement warranty. 40 gallons electric for 1 and 2 bedroom units and 40 gallons gas or 52 gallons electric for 3 and 4 bedroom units. Install heat pump water heaters when feasible. All water heaters shall have seismic strapping.

PLUMBING SYSTEM – WATER SUPPLY

NOTE: No pipe, plumbing, fixture, fitting, or faucet intended to convey drinking or cooking water shall contain no more than .25 percent lead (AB 1953).

- **REHABILITATION STANDARD:** 10 Years
 - Minimum Life:
 - All homes shall be tested to identify and eliminate all leaks. All fixtures must be supplied with 2 gallons per minute water flow and shut off valves must operate. Lead and galvanized pipe shall be replaced with copper, PVC or PEX, if local code allowed. All accessible hot water lines shall be insulated; maximum static pressure is 60 psi.
- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 Years
 - All fixtures shall have brass shut off valves. Exterior hose bibs with air gap are required.

SECTION X: HVAC

NOTE: All work requires permits from the Building Division.

HVAC – CHIMNEY/FIREPLACE REHABILITATION

- **REHABILITATION STANDARD:**

- Minimum Life: 20 Years
- Unsound chimneys shall be rehabilitated or removed. When chimneys must be used for combustion ventilation, they shall be replaced.
- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 Years
 - Replacement furnace flues when required shall be metal double or triple walled as recommended by the equipment manufacturer.
 - If the service life of the chimney is comparable to service life of heating plant, then no replacement is necessary. If the chimney needs replacing or a new liner, the chimney will be eliminated and replaced with a high efficiency, power vented unit.

HVAC – DISTRIBUTION/VENTILATION SYSTEM

- **REHABILITATION STANDARD:**
 - Minimum Life: 5 Year
 - Central air conditioning shall be inspected, serviced and refurbished per diagnostic testing of unit and distribution system – per (BPI) technical standards for air conditioning and heat pump specialist as described in Chapter 6 of the Saturn Mechanical Systems Field Guide, 2006. Must meet 2008 Title-24 Standards.
- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 Years
 - All ductwork shall be insulated to R-4, seams sealed with Mastic and run in conditioned space within the building envelope. Air leakage and ventilation may be brought into conformance to Chapter 4 of HPSWC. Must meet Title-24 Standards.

HVAC – CENTRAL EQUIPMENT

- **REHABILITATION STANDARD:**
 - Minimum Life: 5 Years
 - Heating plants that are less than 5 years old and rated 65 AFUE efficiency or better shall be tested and tuned-upper BPI. Energy Star setback thermostats are required.
- **REPLACEMENT STANDARD:**
 - Minimum Life: 20 years
 - Condensing gas furnaces rated over 86 AFUE and heat pumps over 13.5 SEER with 10 year warranty on parts and 5 years labor. Air to air heat exchangers are eligible for this program. HVAC system shall be sized to maintain 68°F measured 36" off the floor when the outside temperature is 84°F (the average yearly maximum), in all habitable and essential rooms. Interior design temperature used for heating and cooling load calculations per Title-24.

SECTION XI: SPECIAL CONSTRUCTION

SPECIAL CONSTRUCTION – ACCESSIBILITY FOR SPECIAL NEEDS CLIENTS

- One of the following levels of accessibility shall be met dependent upon the clients' physical needs and financial resources:
 - Visibility;
 - No-Step Entry;
 - Adequate Doorways; and
 - Usable Bathroom.
- Usable Home: If requested by a physically disabled tenant, home shall meet this level of accessibility when funding is available:
 - Accessible Route Into and Through the Dwelling Unit;
 - Accessible Switches, Outlets & Controls;
 - Reinforced Walls for Grab Bar Installation;
 - Usable Kitchens; and
 - Ground Floor Bedroom.
- Full Accessibility:
 - Wheelchair turning space in kitchen, bath and hall areas;
 - Doors – maximize space and lever hardware throughout;
 - Kitchen – accessible to wheelchair bound;
 - Bathroom fixtures per universal design standard;
 - Accessible controls in all areas; and
 - Communication devices in bath and at front and rear door.

SPECIAL CONSTRUCTION – LEAD SAFE REGULATIONS

- REHABILITATION STANDARD / REPLACEMENT STANDARD
- In all federally-funded projects, the City shall follow the requirements listed on the attached "Summary of Lead-Based Paint Requirements (09/10).
- **International Energy Conservation Code**
 - All new construction work must also conform to the International Energy Conservation Code (IECC) and applicable state or local energy conservation codes.
 - Additionally, the City requires that all new building construction complies with the State of California Energy Code.
- **Section 504 and Fair Housing**
 - Section 504 and Fair Housing rules impact the design of your project by setting standards for the appropriate number and characteristics of accessible units in your project. The applicability of these standards depends on the size and type of the project.

CONSTRUCTION PROCESS REQUIREMENTS

In addition to the requirements related to property standards discussed in Part I above, the City of Huntington Park HOME program has requirements that relate to the following aspects of the construction process itself:

1. Inspection protocols;
2. Screening contractors;
3. Construction Scheduling;
4. Pre-construction conferences: who is included, what is covered;
5. Processing and tracking payments;
6. Change order management and payment processes; and
7. Monitoring reports from partner organizations

INSPECTIONS AND SPECIFICATIONS

The City shall follow inspection procedures as described below to ensure that all work is being completed on time and within stated quality guidelines.

1. **Initial inspections:** establish scope of work and must be allotted sufficient time for interviewing the owner or others, delving into the properties functional characteristics, and to develop thorough, articulate scopes specific to the job inspected.
 - a. The specifications must include detailed drawings and reference material as needed to fully explain all aspects of the scope, especially special conditions requiring unusual steps in the repair.
2. **Final approval of plans and specifications:** The City requires that plans and specifications are submitted for final review and approval. The following must be addressed prior to approval:
 - a. The final plans and specifications must be consistent with the scope of work defined in the Recipient's agreement with the City.
 - b. Note that advertisements for construction contract bids may not be published until plans and specifications for such contract have been unconditionally approved by the City.
 - c. Final construction cost estimates, including deductive alternatives, must be provided. Estimates for line item bids must include estimated quantities, unit costs, and total costs.
3. **Progress inspections:**
 - a. The City and HUD requires that inspections be documented and include the signature of the inspector and the date.
 - b. An inspection will determine if work completed corresponds to the work write-up, the construction contract, and the schedule before payment is made to the contractor;
 - c. It may address a need for a change order and intervene in owner/contractor disputes in a rehabilitation project;

- d. It ensures that safety and security measures are being taken and that all necessary code inspections have occurred;
 - e. It allows the inspector to view the project at key construction points.
4. **Timing of inspections:** The construction schedule will determine the expected times for progress inspections.
- a. Key points in the construction process would include inspections by qualified persons before work is concealed to determine that it is satisfactory and meets the work specifications and contract.
 - b. An inspection should occur when reinforcing bars are installed; wiring, plumbing, and insulation are in place.
 - c. An unscheduled inspection may reveal a great deal about work quality and progress, as well as answer concerns a property owner may have.
 - d. It may be necessary when a dispute arises between the parties involved.
5. **Final inspection:** A final inspection must be made by the appropriate professional and work must pass this inspection before the retainage is released to the contractor.
6. **Logistics:** Upon substantial completion of the project, the City must confirm that a final inspection is requested.
- a. The City will schedule a final inspection to be attended by the owner, project administrator/consultant, contractor, and the City of Huntington Park Housing Inspector.
 - b. Notice of this inspection must be scheduled with the City at least 3-5 days prior to the scheduled date.
 - c. The final inspection shall consist of a field inspection to confirm that the project has been completed.

The following documents must be available at the final inspection:

- a. Punch List(s);
- b. Certificate(s) of Final Inspection; and
- c. Release of Lien Form for each contractor
- d. General items of discussion at the final inspection include
- e. Acceptance of work by all parties;
- f. Transfer of insurance coverage to the owner;
- g. Utility considerations;
- h. Establishment of warranty period; and
- i. Final payment (Disbursed by the City of Huntington Park 30 days from a successfully completed Final Inspection.)

7. **Punch list and close out:** Although a few punch list items may be pending at the time of the final inspection, all major problems should be resolved and a Certificate of Final Inspection should be issued at this time.
- a. The City requires that the project inspector and architect, if applicable, conduct a pre-final inspection to ensure that a comprehensive punch list is developed and that the project will be substantially complete at the time of the City's Final Inspection.
 - b. A schedule for completing these items should be negotiated with the contractor, and a corresponding percentage of the cost, plus retainage, should be held back until the punch list items are completed.
 - c. If an architect was used, he or she will issue a notice of substantial completion.
 - d. This notice verifies that the structure may be used for its intended purpose.
 - e. The notice of substantial completion may be issued either before or after punch list items are completed, depending on the situation and the extent of remaining items. In all cases, the Certificate of Final Inspection must be signed by the City prior to release of final retainage payment.
 - f. Even when an architect signs off on work, the city will conduct its own inspection to verify that work is complete and complies with programmatic and other federal requirements.
 - g. The final inspection must be performed by the City of Huntington Park Planning and Community Development staff.
 - h. After completion of the punch list items, and (if appropriate) the architect's notice, the City should see that the contractor provides:
 - i. Cost certifications;
 - ii. Warranties of work performed;
 - iii. Operations manuals (for furnaces and other systems);
 - iv. Guarantees from manufacturers of materials and systems installed; and
 - v. Release of liens by suppliers, all subcontractors, and the general contractor.
 - i. No final payment will be made until all documents are received and lien releases are verified.
 - j. An IDIS completion report must be completed to close out the project.
8. **Warranty inspection:** A one-year warranty period must be instituted for each contract completed to ensure that the workmanship and materials of the contractor(s) and subcontractor(s) have been sufficient.
- a. A final warranty inspection must be conducted by the City of Huntington Park staff eleven months after the initiation of the warranty period to finalize any adjustments needed to correct covered deficiencies.
 - b. Any such deficiencies shall be noted by the City or architect, if applicable, and provided to the contractor in writing and corrected.

EXHIBIT 8 :Timing and Purpose of Property Inspections

When to Inspect:	Purpose
Preliminary – before work begins	✓ Check existing conditions against drawings (for new construction) or against work write up/approve specification; ✓ Review applicable codes and standards
During Construction	✓ Determine adequacy of work completed; ✓ Assess compliance with approved drawings or specifications; ✓ Assess completed work against construction schedule; ✓ Determine completed work that is eligible for payment; ✓ Resolve any disputes among parties.
Final	✓ Go over items in “punch list” to determine completion; ✓ Document compliance with codes and standards.
Warranty Inspection	✓ Assess workmanship and materials used; ✓ Document deficiencies

SCREENING CONTRACTORS: BIDDING AND CONTRACT AWARD PROCESS

The City of Huntington Park is expected pre-screen contractors and to use applications, bidding documents, agreements, and pre-bid/preconstruction conferences for screening contractors. In general, performance standards and consequences to meet them must be part of every construction program and must be covered in sufficient detail in bidding documents and the pre-construction conference. The City's specific requirements for the bidding and contract award process are detailed below:

DEBARMENT AND SUSPENSION POLICY (2 CFR Part 200).

The City of Huntington Park complies by the debarment and suspension policy pursuant to 24 CFR, 85.35 Part 5.

PROCEDURE

1. The City will verify that they and any or all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the City are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction.

2. The City will check the Excluded Parties Listing System at www.epls.gov, print and maintain evidence of the search results. In the event that the search results indicate, a prior or current debarment or suspension of the contractor, the City will include the printout in the application.
3. The City will certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any entity from a federally funded transaction. Any contractor that remains in a debarred or suspended condition will be prohibited from participation in the City of Huntington Park HOME Program as long as they are classified in this manner.
4. The City will **not** award any HOME Program funds to applicants that are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction.

The City takes the following steps to assure a contractor is qualified to work based on the California State Labor Board (CSLB) and the HUD debarment List:

1. If the contractor is NOT on the debarment list, the City makes a copy of the Debarment List and encloses the list in the contractor package.
2. If the contractor IS found on the debarment list, the contractor is disqualified further consideration.

ADVERTISEMENTS FOR CONSTRUCTION CONTRACT BIDS

The City of Huntington Park policy requires publication of advertisement for bids in a newspaper of citywide circulation one time in at least one newspaper of greatest general circulation in the City of Huntington Park (Huntington Park Comet) or posting by electronic media.

PROCEDURE

- a. The date of publication of the notice shall not be less than five (5) days nor more than 30 days before the date established for the receipt of bids.
- b. In addition to citywide newspaper advertisement, the City may directly solicit prospective bidders and advertise in construction industry trade journals.
- c. Note that advertisements may not be published until plans and specifications for such contract have been unconditionally approved by applicable agencies.
- d. Additionally, wage determinations, if applicable, must be included as part of the contract documents for the project. The City requires to be contacted 10 days prior to the bid opening date.

Interpretations of plans and specifications. All questions regarding interpretation of the plans, specifications, drawings, and other contract documents should be addressed only to the design architect.

- a. Any inquiry or other action requiring written interpretation or instruction from the architect that will modify the plans and specifications and affect bidders (e.g., modified wage determination, redesigns, etc.) must be done so by addendum.

NOTE: An addendum is written instruction issued prior to the opening of construction bids that modifies or interprets contract documents, drawings, and specifications by additions, deletions, clarifications, or corrections. All addenda must be approved by the City prior to issuance.

- b. An Addendum must be issued **by certified mail at least five days prior to the date of bid opening**. Failure to attain approval may result in disallowance of affected costs.

- **Receipt of all sealed bids** will be documented by date and time of receipt and the name of the submitting contractor. Bids received after the established deadline shall not be accepted.
- **Bids in excess of project budget.** If the lowest base bid exceeds the amount of funds appropriated for project budget, then the application of deductive alternatives in numerical order will commence until the bid is within the appropriated amount.
- **Apparent low bidder.** Once the apparent low bidder is identified, the City will determine if he/she is responsible.

NOTE: All prime contractors are responsible for ensuring that the subcontractors they employ are not debarred or suspended

- **Notification of bid award.** Once the apparent lowest responsive, responsible bidder(s) for each contract(s) is determined, the City will notify all bidders whether or not they were successful.
 - Successful bidders must be notified of acceptance of their bid within the time frame specified in the contract documents.
 - Such notification shall be made through issuance of a Notice of Award which requests the contractor to provide acceptable payment and performance bond(s) and certificates of insurance within 10 calendar days.
 - Upon reception of these documents, the City must determine if:
- The contractor has **sufficient bonding and insurance**. The insured amounts must be consistent with requirements of state law as specified in the contract documents, e.g., 100 percent payment and 100 percent performance bond(s) coverage and sufficient liability coverage amounts
 - Contracts must be awarded within the time frame specified in the contract documents.
 - If the contract has not been awarded within 90 days of bid opening, the Recipient must notify the City's Planning and Development Department to determine if the wage determination (if applicable) is still valid. Any applicable modified or superseded wage determinations will apply to the project.

Note: Licensing and underwriting limitations of insurance companies in the State of California can be checked by referencing U.S. Department of the Treasury, Circular 570 Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies as updated in the Federal Register.

- **Post award requirements.** After all contract documents have been executed and sufficient bonding and insurance is confirmed, a fully executed set of contract documents must be submitted by the City of Huntington Park.

PRECONSTRUCTION CONFERENCES

A pre-construction conference can be valuable in providing direction to the parties involved and prevent potential misunderstandings.

PROCEDURE

1. The architect or Insert job title shall coordinate scheduling the preconstruction conference with all applicable parties.
2. At a minimum, the City shall give 10 days' notice to persons who must attend the preconstruction conference, including:
 - a. City representative, if applicable
 - b. Executive Director of nonprofit entity, if applicable;
 - c. Developer/Owner,
 - d. Prime Contractors;
 - e. If applicable, the architect (especially the person representing the firm and the resident observer);
3. The preconstruction conference will be conducted in accordance with a Preconstruction Agenda and Report.
4. Signed copies of the report, with an attached attendance list, must be distributed to each of the parties identified above within five calendar days of the conference.
5. Location of the conference:

WORKING WITH CONTRACTORS

PROCEDURE

The Insert job title and the Rehabilitation Analyst shall:

1. Retain a qualified person in charge of the work who understands the business and the constraints faced by those in the building trades.
2. Clearly inform contractors about work expectations, program requirements as they impact the project, about the payment process, and seek their feedback after project completion.
 - a. Timing of a pre-construction conference will take place after an Environmental Review and Release of Funds (ROF) have been completed, and
3. Distribute communicate of the project to all team members on his or her role and responsibilities;
4. Identify deadlines and critical phases of the work;

5. Review the scope of work and schedule to prevent future problems;
6. Explain basic operating procedures, including reports, meetings and other communications required and expected during construction;
7. Review applicable programmatic and federal requirements, such as Davis-Bacon, labor standards, and Lead Safe Housing Rules;
8. Review procedures for:
 - a. Inspections – when they must occur-and who initiates them;
 - b. Payment requests – when they should be submitted, who receives them, what they must include, when payment will be made if satisfactory;
 - c. Change orders – the process for requesting one; what would/ would not be considered in weighing the request;
 - d. Lien releases – the process and who is involved;
 - e. Monitoring of progress and reporting;
 - f. Dispute resolution; and
 - g. Closing out the project.
9. Review the construction contract and ensure all parties have read, understood, and signed it;
10. Confirm that subcontractors' names, addresses, and phone numbers are accurately listed;
11. For occupied structures:
 - a. Discuss the handling of service shut-offs and restricting access to bathrooms, kitchens, etc. during lead-paint work as well as other relevant rehabilitation work;
 - b. Define moving and relocation roles and schedules; and
 - c. Review/discuss safety and security measures during construction.
12. At the conclusion of the pre-construction conference and after the contractor has executed the construction contract, the City will issue a notice to proceed with work.
13. Construction should commence no later than 10 days after receipt of this Notice.

CONSTRUCTION SCHEDULE

PROCEDURES

The Rehabilitation Analyst and/or the Insert job title will:

1. Maintain access to many information sources and have an understanding of construction methods, trades involved, and the sequence of tasks that must occur;
2. Retain knowledge of:
 - a. The building materials required for the project, ordering and delivery methods and protocols;
 - b. The various applicable building codes and standards.
 - c. Anticipate the key points at which an inspection are required;
 - d. Determine how weather variations can impact construction progress;
 - e. Understand each development team member's roles and responsibilities; and
 - f. Understand the development budget;
 - g. costs can be paid from each source;
 - h. When funds are available;
 - i. How to request payment (including the form that will be used to request payments and the documentation to be provided.);

- j. Document each step in the process and list them sequentially, recognizing that some steps must occur simultaneously.

TIMELINESS AND CONSTRUCTION SCHEDULE

PROCEDURE

1. Assure that construction will start within twelve months from the date of property or land acquisition;
2. Assure that funds will be expended within the required five year timeframe of the allocation;
3. Maintain a construction schedule that is realistic – and enforceable.
4. If a project is behind schedule, the City may attempt one of the following options:
 - a. Eliminate or redesign the critical path activities (which may reduce the scope of the project);
 - b. Rearrange critical path activities so that some are performed simultaneously; or
 - c. Reduce the duration of critical activities (if the critical path is shortened, other activity paths through the network may become critical.)
 - d. If none of these options can be accomplished, the project completion date must be adjusted; this will most likely have cost or timeliness ramifications and is highly undesirable.
5. Comply with timelines in the construction schedule to avoid severe consequences to the project;
6. Ensure that timelines are met, or that there is ample recourse to pursue if they are not, schedules must be enforceable including:
 - a. Reference the schedule in the written agreement between the City and the developer;
 - b. Reference the schedule in the contract with the general contractor and all subcontracts;
 - c. Reference it in the architect's contract.
7. Cover the schedule and stress its importance during the pre-construction conference.

CHANGE ORDERS

PROCEDURE

1. Any changes to construction documents must be reviewed and approved by the City.
2. Contractors must submit change orders when there is:
 - a. A change to the project design or work specification;
 - b. An alteration, addition, or deletion to the approved scope of work;
 - c. An addition or change to the work schedule; or
 - d. A change in cost for any reason.
3. Change orders must be written and address its completeness and appropriateness and its effect on budget, timeframe to the City.
4. The City requires that a Written Change Order is submitted any time that contract documents are changed, including additions, deletions, modifications, and time extensions after bid opening.
5. In addition, all change orders must be reviewed and approved by the City prior to issuance.
6. Changes that have no cost implications (or reductions in costs) require a change order.
7. Change orders will be evaluated for their impact on the project cost, schedule, and scope of work before they are approved by the City.

MANAGING PAYMENTS

PROCEDURE

1. Payments will be reviewed by:
 - a. The City, the property owner and the contractor prior to signing a rehabilitation contract;
 - b. The developer and contractor for smaller, uncomplicated new construction projects at the pre-construction conference; or
 - c. The entire development team for larger new construction projects at the pre-construction conference.
2. For all projects, a portion of all payments will be retained at 10 - 15 percent until 30 days after completion of the work or satisfactory completion of the final punch list items.
3. The draw schedule will include in the overall construction schedule to establish clear expectations for when the contractor may request and can expect payments.
4. Payment requests for housing rehabilitation projects will be submitted to the City by the general contractor at the completion of each stage of the schedule.
5. Payment requests will be provided to the City's Rehabilitation Analyst, and the property owner.
6. The property owner will sign off on the request before the City processes it.
7. For new construction projects, the developer assembles the draw requests for both hard and soft costs from the general contractor and other professionals involved in the project. The invoice should include:
 - a. Total budget obligated;
 - b. Amount of previous payments received to date;
 - c. Cost for materials stored;
 - d. Costs incurred during the particular pay period;
 - e. Total costs incurred to date (includes previous and current expenses);
 - f. Percentage of work completed to date;
 - g. Remaining budget; and
 - h. Amount of payment retained until project completion.
 - i. No payment should be made when there have been changes to the original contract or scope of work without approval of a relevant change order.
8. All payment request documentation will be logged in as soon as it is received and recorded as soon as it is released.
9. The City's Insert job title and the Rehabilitation Analyst will review payment requests and approve them.
10. The documentation that must accompany a payment request, includes:
 - a. For all projects, an inspection report that supports satisfactory completion of work according to the work write-up, specifications, and/or construction schedule;
 - b. Lien waivers as appropriate;
 - c. If needed, approved change orders;
 - d. For projects subject to Davis-Bacon requirements, signed certifications that demonstrate compliance.

- e. Once a payment request has been approved by the City, it should be paid promptly in accordance with the agreed-upon schedule.
 - f. If payment delays occur from participating in public programs and if payment is delayed according to the construction schedule (through no fault of the contractor), the contractor is allowed to stop work.
11. Final payment and release of retainage less any liquidated damages shall be made to the contractor after:
- a. Final inspection is completed;
 - b. A Certificate of Final Inspection is signed;
 - c. Certificate of Plumbing, Certificate of Electrical, Certificate of HVAC are signed;
 - d. Release of Liens are received, if applicable;
 - e. All punch list items are resolved; and
 - f. Final payrolls and equal employment opportunity data are accepted by the City, if applicable.
12. Contingency funds may be set aside for a project for which there is no known specific use at the beginning for unforeseen problems that may require funds.
- a. These funds may not be drawn or expended unless an appropriate written change order is executed.
 - b. Funding must be established at the beginning of project for unforeseen circumstances.
 - c. Set up is allowed but only work performed and documented through written change orders is paid.

PERIODIC REPORTING

PROCEDURE

- 1. During the construction period, the City's Insert job title will require periodic status reports from partners such as contractors, private developers, and property owners.
- 2. The City will maintain a reporting system to track progress of meeting larger program goals, as well as tracking progress for individual projects.
 - a. The City's reporting system includes:
 - b. milestones that need to be measured in the construction process and the draws against the contract;
 - c. When the milestones need to be measured (e.g., the critical points in a housing rehabilitation or development project); and
 - d. Measure and review the milestones.
- 3. Request essential information to track including:
 - a. Performance milestones in the construction schedule or written agreement; or
 - b. Required documentation for IDIS or the CAPER reporting.
 - c. Provide clear, detailed report forms and instructions to those responsible for initiating the report.
- 4. Take immediate action if reports are late, inaccurate, or incomplete.
- 5. Inform partners that the information provided in reports is useful for:
 - a. Preparing reports for City of Huntington Park;
 - b. Identify performance and timeliness issues early;

- c. Plan on-site monitoring visits;
 - d. Making future funding decisions; and
 - e. Developing descriptions of projects for elected officials and citizens.
6. Measure progress in individual projects; or
 7. Compare progress in similar projects to identify slower performers and take further action.
 8. Examine funding requests to evaluate the fiscal aspects of performance against the construction schedule or written agreement.
 9. Identify any missed milestones and which projects have or may put the City at risk of failing to meet timeliness requirements in the HOME program.

Exhibit 9 Rehabilitation of Owner-Occupied Progress Reporting		
What to Track How	How Often to report	How to Analyze information
Date of application	At application	Look for demand (or lack) by targeted population
Date of requested income verifications; date received	When requested	Check for follow up activity if not received
Date of proof of ownership established	At time of proof	Check for determination of eligibility for assistance
Date of initial inspection	At time of initial inspection	Look for "fail" items and LBP
Date, name of contractor selected	At time of selection	Check for compliance with City's approval system
Date of Pre-construction conference	At time of conference	Look for subjects covered, who were present, notes taken
Date of Proceed Order	At time of order	Check against approved procedures
Date of initial progress Inspection	At time of inspection	Note items passed or failed
Pass/fail items in inspection	Same as above	Note for payment requests or change orders

Date of initial payment request	Date of requests	Check for adequate documentation to support request
subsequent payments request		
Date payments made	Date payments made	Check for time elapsed; is it late or on time
Date of final inspection	Date of inspection	Check against inspectors report of satisfactory work
Punch list items completed	Date of punch list	Check for completed work
Final release of liens received	Release date	Look for presences' of all releases
Final payment	Date of payment	Check for timing; adequate documentation
Project closed	Date of close-out	Check for completion report and Interim reports in IDIS

CHAPTER 8: PROCUREMENT

PROCUREMENT

This chapter provides an overview of the HUD standards for Federal procurement requirements 24 CFR Part 85.36 and 24 CFR Part 84.40-48.

The City of Huntington Park needs to ensure that all applicable Federal requirements are followed throughout the process. While the City has its own procurement and contracting requirements, the use of Federal funding requires compliance with Federal regulations at a minimum. The primary purpose of the procurement procedure is to assure free and open competition is achieved.

The City of Huntington Park and its Recipients must follow procurement procedures as they pertain to the HOME Program:

1. OMB Standards - Materials shall be procured in accordance with the requirements of 24 CFR 84.40-48 and the procurement standards set forth in OMB Circular A-110, and shall subsequently follow the property standards, covering utilization and disposal of property, set forth in OMB Circular A-110.
2. Use and Reversion of Assets - The use and disposition of real property and equipment must be in compliance with the requirements of 24 CFR Part 84 and CFR 570.502, 570.503, 570.504, and HERA as applicable, which include but are not limited to the following:
3. Any HOME Program funds on hand and any accounts receivable attributable to the use of funds shall be transferred to the City of Huntington Park at the time of expiration, cancellation, or termination of the Agreement.
4. Real property under the "Recipients" control that was acquired or improved, in whole or in part, with funds under the Agreement shall be used to meet one of the HOME Program Activities.

PROCUREMENT TYPES

1st Procurement Method: Small Purchases (Under \$100,000)

Relatively simple, informal procurement procedures will be used where the purchase of materials, supplies, equipment, professional consulting, environmental review, or planning will not cost in the aggregate more than \$100,000. City staff must obtain a minimum of three oral or written price or rate quotations from qualified sources. Documentation on all quotations received (whether oral or written) shall be made a part

of the file. The award should be made to the lowest responsive and responsible source.

In general, the small purchases procedure should not be used in selecting construction contractors, but rather it is recommended that these selections occur under the sealed bid approach instead.

2nd Procurement Method: Competitive Sealed Proposals (Formal Advertising over \$100,000)

This method of procurement is appropriate for all construction and material contracts exceeding \$100,000 and is *encouraged* for contracts under \$100,000, as well. Competitive sealed bids means sealed bids are publicly solicited through formal advertising and a formal bid opening is conducted. Competitive sealed bids can be used **ONLY** when the following criteria are met: (1) there are complete, adequate, and realistic specifications or purchase descriptions; (2) there are two or more responsible bidders who are willing and able to compete effectively; and (3) the procurement can be made on a firm fixed price contract and selection of the successful bidder can appropriately be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids.
- The advertisement for bids, including the specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the advertisement.
- All bids shall be opened publicly at the time and place specified in the advertisement for bids.
- A firm fixed-price contract award shall be made by written notice to the lowest responsible bidder whose bid conforms to the advertisement for bids. Where specified in the bid documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts shall only be used to determine low bid when prior experience indicates that such discounts are generally taken.
- Notwithstanding the above, any or all bids may be rejected when there are sound documented business reasons in the best interest of the City.

3rd Procurement Method: Competitive Proposals

The technique of competitive proposals is normally conducted with more than one source submitting an offer. It is the appropriate method of procurement when cost is not the most important factor, but rather proposals from qualified vendors are also evaluated based on experience, personnel, and other pertinent factors. The most qualified is selected subject to negotiation of fair and reasonable compensation. Some form of cost or price analysis shall be made

and documented in connection with every procurement action. Additionally, this method may be used when formal advertising is not appropriate. Architectural and engineering services must be procured via requests for qualification statements; administrative consulting services must be procured via requests for proposals. Other professional services may also be procured by requests for proposals. The following procedures will be used for competitive negotiation:

- Requests for proposals (RFP's) or requests for qualifications (RFQ's) must be advertised in a local publication and be given sufficient time before they are due. All submittals will be honored and entered into the competition.
- The RFP/RFQ's shall identify the general scope of work and all significant evaluation factors and their relative importance or selection criteria.
- City staff (or committee, if one is designated) shall review all proposals and statements received and make a technical evaluation of each. This shall also include a written statement that identifies the basis upon which the selection was made.
- Contract award will be made to the responsible offeror whose submission is deemed most appropriate to the City with consideration for price, qualifications, and other factors set by the City. Unsuccessful offerors shall be notified in writing within ten working days of contract award. Documentation of notification shall be maintained in the contract selection file for the individual project.

4th Procurement Method: Noncompetitive Proposals (Sole Source)

Procurement by noncompetitive proposals (sole source) shall be used when small purchase, competitive sealed bids, or competitive proposals are not feasible. Noncompetitive proposals will involve the solicitation of a proposal from only one source. This can also occur if solicitations under the competitive proposals

procedures result in only one RFP or RFQ. In order to qualify for this type of procurement, one of the following circumstances must apply:

- The item or service is available only from a single source;
- It is determined that a public urgency or emergency exists and the urgency will not permit the delay
- beyond the time needed to employ one of the other three methods of procurement.
- After solicitation of a number of sources, competition is determined to be inadequate.

OTHER CONSIDERATIONS

Aside from selecting the method of procurement, there are several other considerations the City of Huntington Park adhere to when procuring goods or services with Federal funds including:

CONTRACT PRICING

The City of Huntington Park shall perform cost or pricing analysis in connection with EVERY procurement action including contract modifications in accordance with the requirements of identified in the *Cost and Price Analysis for HUD Grantees and Funding Recipients*. Costs or prices based on estimated costs for CDBG projects shall be allowed only to the extent that the costs incurred, or the cost estimates included in negotiated prices are consistent with federal cost principals. Cost reimbursement, fixed price, or a combination thereof may be utilized as appropriate.

A cost reimbursement type contract is most appropriate when the scope and extent of the work to be performed are not clearly defined. A cost reimbursement contract MUST clearly establish a cost ceiling which may not be exceeded without formally amending the contract and must identify a fixed dollar profit that may not be increased unless there is a contract amendment that increases the scope of the work.

A fixed price contract is appropriate when the scope of work is very well defined and product oriented. A fixed price contract MUST establish a guaranteed price that may not increase unless there is a contract amendment that increases the scope of the work.

The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

DOCUMENTATION

All source documents supporting any given transaction (receipts, purchase orders, invoices, RFP/Rfq data, and bid materials) will be retained and filed in an appropriate manner. Where feasible, source documents pertinent to each individual procurement shall be separately filed and maintained. Where it is

infeasible to maintain individual procurement files, source documents will be filed and maintained in a reasonable manner (examples include chronologically, by vendor, by type of procurement, etc.). Whatever form of documentation and filing is employed, the purpose is to ensure that a clear and consistent audit trail.

is established. At a minimum, source document data must be sufficient to establish the following:

- Basis for contractor selection;
- Justification for lack of competition when competitive bids or offers are not obtained;
- Basis for award cost or price (including the issue of reasonableness of cost); and
- Basis for payment.

CONTRACT ADMINISTRATION

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. The City of Huntington Park shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

SMALL, MINORITY AND WOMAN OWNED ENTERPRISES

Positive efforts shall be made by the City of Huntington Park to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. The City shall take all of the following steps to further this goal.

- Ensure that small businesses, minority-owned firms, and women's enterprises are used to the fullest extent possible.
- Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- Encourage, when practical, contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- Use the services and assistance, as appropriate and practical, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

DEBARMENT AND SUSPENSION

No contract shall be made to the parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs in accordance with Executive Order's 12549 and 12689, "Debarment and Suspension." Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

CONTRACT PROVISIONS

The City of Huntington Park shall maintain records sufficient to detail the history of the procurement. The records shall include the following contract provisions and conditions:

- Contracts other than small purchase shall contain provisions that allow for administrative, contractual, or legal remedies if contractors violate or breach contract terms and provide for sanctions and penalties as appropriate.
- All contracts in excess of \$10,000 shall provide for termination for cause and for convenience by the City of Huntington Park.
- All construction contracts and subcontracts in excess of \$10,000 shall include provisions which require compliance with Executive Order 11246, Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented in Department of Labor (DOL) regulations (41 CFR Part 60) including the manner in which it will be done and the basis for settlement.
- All contracts and subcontracts for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick-Back" Act (18 USC 874) as supplemented by DOL regulations (29 CFR Part 3). All contracts or subcontracts in excess of \$2,000 for construction or repair shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a-7) as supplemented by DOL
- regulations (29 CFR Part 5).
- All construction or repair contracts or subcontracts in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers, shall include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 USC 327-330) as supplemented by DOL regulations (29 CFR Part 5).
- All contracts or agreements for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal Government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Cooperative Agreements," and any implementing regulations issued by the City of Huntington Park.
- All negotiated contracts shall include a provision that makes it possible for the City of Huntington Park, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to have access to any books, documents, papers, or records of the contractor/firm that are directly pertinent to the contract, for the purpose of making audit examination excerpts and transcriptions. Further, the contract must include a provision that all required records will be maintained by the contractor/firm for a period of four years after the City of Huntington Park
- formally closes out each CDBG project or program.

- All contracts, subcontracts, and subgrants in amounts in excess of \$100,000 shall contain a provision which requires compliance with the requirements of Section 306 of the Clean Air Act (42 USC 1857 h), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- All contracts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by the Byrd Anti-Lobbying Amendment at 31 U.S.C. 1352 and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

CHAPTER 9: ENVIRONMENTAL

ENVIRONMENTAL REQUIREMENTS AND PROCEDURES

OVERVIEW

The purpose of this chapter is to provide guidance on the environmental review process required under federal HOME regulations. These regulations (24 CFR §92.352) require a formal assessment of possible environmental effects for each activity carried out with HOME funds. This assessment must be done according to requirements found in 24 CFR Part 58. This chapter provides current rule requirements, and clarifies review responsibilities of the City of Huntington Park, and Community Housing Development Organizations (CHDOs), regarding the environmental review process.

The U.S. Department of Housing & Urban Development (HUD) places restrictions on project activities in accordance with 24 CFR §58.22, *Limitations on activities pending clearance*. Completion of the environmental review process is mandatory *before* taking physical action on a site or making a commitment or expenditure of HOME or non-HOME funds for property acquisition (purchase), rehabilitation, conversion, lease, repair, or construction activities. "Non-HOME funds" means *any* Federal, state, local, private, or other funds.

Since funds for a project will not be released until the environmental review has been completed and approved, the City will begin the environmental review process at the earliest possible time so that potential conflicts between program procedures and environmental requirements are identified at an early stage.

The Environmental Checklist in the Uniform Application submitted, as part of a competitive HOME grant application does *not* meet HUD requirements for an environmental review. The purpose of the checklist is to assist the City to initially evaluate environmental circumstances that may affect the proposed project and to raise awareness of possible problems if the grant is awarded.

This chapter details the HUD environmental review rules and related Federal laws and authorities that are applicable to all projects and activities receiving HOME assistance. It describes:

1. The roles and responsibilities of the City of Huntington Park and its Recipients, who have the primary responsibility for conducting environmental reviews;
2. The role of CHDO's and nonprofit organizations as project partners in the environmental review process;

3. The primary procedures and operating principles that guide the environmental review process; and
4. The categories of environmental review that are required for various HOME funded activities and projects.

ROLES AND RESPONSIBILITIES OF THE CITY OF HUNTINGTON PARK

As outlined in 24 CFR Part 58, units of local government are required to assume Federal environmental review responsibilities for compliance with the National Environmental Policy Act (NEPA), and related Federal laws and authorities. HUD's environmental review regulations identify states and units of general local government as the "responsible entity" (RE) ---those entities having legal authority to assume this role because they exercise control over planning, permitting, and supplying infrastructure to support HUD-assisted projects for their jurisdictions. For the HOME Program, the City receives a formula allocation of HOME funds directly from HUD. In addition, through a written agreement with the City of Huntington Park, assumes responsibility for compliance with NEPA and Part 58.

In cases where the City of Huntington Park does not have the technical capacity or administrative capability (§ 58.12) to assume the role of RE or an applicant (e.g., CHDO, or nonprofit or for profit organization) has applied directly to the City for HOME grant assistance, then the City of Huntington Park will take on this role of RE. In most cases the City of Huntington Park assumes the RE role.

In the role of responsible entity (RE), the City not only assumes the responsibility for environmental review, decision-making, documentation, and mitigation (if necessary), but also the legal responsibility for compliance with NEPA and all other applicable laws, regulations, and authorizations.

Whenever Recipients have assumed the role of RE, then the City is responsible for overseeing compliance with HUD's environmental review procedures, as well as providing assistance to those Recipients in meeting their compliance responsibilities under Part 58. The City's role in this capacity is to conduct post-review monitoring of the Recipient's Environmental Review Records (ERR); enforcing violations of Part 58; receiving certifications of compliance from the Recipients; accepting objections from the public or other agencies; and other responsibilities related to the release of funds process (§ 58.18 and Subpart H).

When the City assumes the role of RE, then HUD performs the oversight responsibilities described in the paragraph above (24 CFR 58, Subpart H).

ENVIRONMENTAL REVIEW PROCEDURES

ACTIONS TRIGGERING THE REQUIREMENTS OF PART 58

Once a project participant (i.e., CHDO's, developers, owners, sponsors of housing, and third party contractors) has submitted an application for HOME funds to the City or the City has designated funds for a specific project in its Consolidated Plan or Annual Action Plan ("AAP"), Part 58 requirements are applicable to the project. At this point, the City *must* request the participant to:

1. Cease all project activity until the environmental review (ER) has been completed. Part 58 prohibits further project activities and actions from being undertaken prior to completion of the ER and the determination of environmental clearance. Projects in violation of this prohibition risk the denial of HOME funds.

Where a project participant has begun a project in good faith as a private project, the City is not precluded from considering a later application for Federal assistance for the project, but must request the third-party applicant to:

2. Cease further actions on the project until the environmental review process is completed. Project participants may proceed with the project upon receiving approval from the City, after the environmental review process has been completed for the project.

There are certain kinds of activities that may be undertaken without risking a violation of requirements of Part 58. For example, the act of either hiring a consultant to prepare a Phase I Environmental Site Assessment (an investigative study for environmental hazards), or hiring a consultant to complete an engineering design study or plan, or a study of soil and geological conditions.

Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the project participant's own funds, prior to obtaining environmental clearance to use HUD funds. This process may include public notification and approval from HUD. If prohibited activities are undertaken prior to receiving approval from the City, the applicant is at risk for the denial of HOME assistance. Such actions include:

1. Purchasing real estate;
2. Demolishing structures or buildings;
3. Excavating or dredging soils;
4. Placing fill dirt on the site;
5. Rehabilitation or converting a new building; and
6. New construction.

NOTE: Undertaking any of these actions interfere with the City's ability to comply with NEPA and Part 58. If prohibited actions are taken prior to environmental clearance, then environmental impacts may have occurred in violation of the Federal laws and authorities and the standard review procedures that ensure compliance. Below is further discussion of issue under the heading, "Limitations Pending Environmental Clearance."

LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

According to the NEPA (40 CFR 1500-1508) and Part 58, the City is required to ensure that environmental information is available before decisions are made and before actions are taken. The City may not commit or expend resources, either public or private funds (HUD, other Federal, or non-Federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. In other words, the City must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made--that decision being based upon an understanding of the environmental consequences, and actions that can protect, restore, and enhance the human environment (i.e., the natural, physical, social, and economic environment.)

In order to achieve this objective, Part 58 prohibits the commitment of HOME funds by the City of Huntington Park until the environmental review process has been completed by the City and HUD approves the release of funds.

NOTE: until the City has completed the environmental review process (including receipt of HUD approval), neither the City nor project participant may commit non-HUD funds or undertake an activity if that action would have an adverse environmental impact or limit the choice of reasonable alternatives.

For the purposes of the environmental review process, "commitment of funds" includes:

1. Execution of a legally binding agreement;
2. Expenditure of HOME funds;
3. Use of non-HUD funds on actions that would have an adverse impact - e.g., demolition, dredging, filling, excavating; and
4. Use of non-HUD funds on actions that would be "choice limiting"-e.g., acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures, conversion of land or buildings/structures.

NOTE: The standard for what constitutes a commitment of HOME funds for compliance with Part 58 is different from the HOME funds commitment and the CHDO reservation deadlines applicable under the HOME Program regulations in 24 CFR Part 92.

Prior to completion of the environmental review process and receiving HUD approval, the City may enter into a non-binding agreement to conditionally commit HOME funds---i.e., a contractual agreement between the City and project participant to use a specific amount of HOME funds to produce affordable housing, or an executed written agreement reserving a specific amount of funds to a CHDO. The conditional commitment must incorporate language that will ensure the project participant does not have a legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is satisfactorily completed. In addition, the agreement must explicitly state that the agreement to provide funds to the project is conditioned on the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. (See CPD Notice 01-11, page 10 for suggested agreement language.)

Other types of actions that are not considered a commitment of funds for purposes of Part 58 compliance are statements of funding reservation, e.g., approval of Consolidated Plan or Annual Action Plan or planning for and reserving non-HUD funds, including tax credits for the project for HUD funding.

If the City is considering an application from a prospective participant and is aware that the participant is about to take an action within the jurisdiction that is prohibited by Part 58, then the City must take appropriate action to ensure that its objectives and procedures of NEPA and Part 58 are achieved [§ 58.22(c)].

The City of Huntington Park has established internal controls to enforce compliance with NEPA and Part 58.

CONTEMPLATE AND COMMITMENT DEFINITION FOR THE ENVIRONMENTAL REVIEW

Once the City *contemplates* assisting a project or activity with HUD funds, (§ 58.32), neither HUD funds nor non-HUD funds may be *committed* (§ 58.22) until compliance with Part 58 has been achieved and documented. The following guidance is provided to clarify the meaning of the terms *contemplate* and *commitment* as these apply to the environmental review process.

Contemplated HUD assisted action:

1. The City is considering an application from a prospective owner or beneficiary.
2. The City has identified a specific activity or project in its application.

Commitment of funds:

1. Execution of a legally binding agreement—e.g., awarding construction contracts, entering into project agreements with developer, etc.
2. Expenditure of HUD funds—e.g., purchase of materials by a force account crew, hiring a consultant to prepare a Phase I Environmental Site Assessment, etc.
3. Use of HUD funds or non-HUD funds on “choice limiting actions”:
 - a. Actions having an adverse impact-e.g., demolition, dredging, filling, excavation.
 - b. Actions limiting the choice of reasonable alternatives---e.g., real property acquisition, leasing, rehabilitation, demolition, related site improvements, relocating buildings or structures, conversion of land or buildings/structures.

A commitment of funds *is not*:

1. Statements of funding reservation---e.g., approval of an application, CHDO reservations, planning for and reservation of non-HUD funds (including tax credits for the project for HUD funding.)
2. Non-legally binding agreements---e.g. An agreement with language such as, “Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by Recipient’s determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

AGGREGATION OF PROJECT ACTIVITIES

To determine the appropriate level of environmental review for a project, the City must group together (aggregate) all related project activities, whether or not the project is funded entirely by HOME funds, or only certain portions of the project will be funded by HOME funds. An environmental review must evaluate all activities that are geographically or functionally related, or part of a multi-year project. The appropriate level of environmental review for an aggregated project will be determined by whichever activity or activities being undertaken by the City or its partners will have the greatest environmental impact. For example, real property acquisition will have less of a physical impact on the human environment than newly constructing 30 units of affordable housing.

Geographically related project activities, for example, might include a proposal to acquire four units for rehabilitation and resale to first time homebuyers. All the related activities are occurring on a single site. In aggregation, all these activities must be evaluated in a single

review, regardless of the fact that HOME funds may only be used for rehabilitation. One activity cannot occur without the others, and therefore all the associated environmental impacts must be evaluated together. The environmental review for the acquisition of the properties cannot be separated from the environmental review for the rehabilitation of the properties.

Multi-year aggregation is a process that addresses phased project activities. For instance, consider a three-year project, during which, real property will be acquired in the first year, infrastructure improvements will be installed in years two and three, along with several phases of affordable housing construction. Again, a single environmental review must be completed for all phases of the project before any of the activities may be undertaken. Only one request for release of funds (covering all project phases) needs to be submitted to HUD for approval. After HUD approval is received, no other approval or environmental action is required, unless circumstances arise that require the City to re-evaluate its original environmental findings.

SOURCE DOCUMENTATION FOR ENVIRONMENTAL REVIEW

FIELD OBSERVATION – A visit to the project site to make observations of the general site conditions.

1. There should be written documentation of the conditions observed.
2. Include the name and title of the observer and the date of the site visit.

PERSONAL CONTACT – Personal contacts are useful only when the individual contacted is an accepted authority on the subject or subjects. Documentation should include:

1. The name and title of the person contacted,
2. The date of the conversation, and brief notes of the key points.
3. Whenever the person that was contacted cites reports, records, or other document, the title, date, and source of the report should be noted.
4. Contacts can include staff experienced in a particular area (e.g., engineer, planner, historian, etc.).

PRINTED MATERIALS – Printed materials that are useful sources of detailed information may include:

1. Comprehensive land use plans, maps, statistical surveys, and studies are useful sources of detailed information.
2. The material must be current and reflect accepted methodologies.

3. Complete citations for all material must be included.

REVIEWER'S EXPERIENCE – Professional judgment by City staff is acceptable if their expertise is relevant to the compliance issue. For example, a reviewer's knowledge may include:

1. Reviewing previous projects in the same area.
2. Professional finding of the reviewer in subjects where he or she has the background to make judgments about a specific factor, or
3. Reviewers that have the expertise to evaluate soil conditions, while others will need to consult an engineer or other specialist.

SPECIAL STUDY – This is a study conducted for a particular project performed by qualified personnel using accepted methodologies. Some tests are relatively simple to perform but others may require elaborate equipment or personnel with additional expertise. The reviewer is responsible for obtaining assistance from others in order to have the appropriate tests or studies conducted. Examples of tests and/or study's include:

1. Archeological reconnaissance surveys,
2. biological assessment concerning threatened and endangered species, or
3. Phase I Site Assessments to determine site contamination.
4. See HUD Handbook 1390.2, http://www.hudclips.org/sub_nonhud/cgi/hudclips.cgi

Sources of Compliance Documentation

There are several types of resources necessary to demonstrating compliance with NEPA and the Federal laws and authorities. These resources provide written documentation in the environmental review record that is credible, traceable, and supportive of the conclusions reached by the RE.

CATEGORIES OF ENVIRONMENTAL REVIEW

One of the primary purposes that the environmental review process serves is to require the City to include environmental impacts as part of the overall deliberation process surrounding proposed projects.

The HUD environmental review requirements at Part 58 were written so as to best strike a balance between the imposition of reasonable requirements upon the City (i.e., expediting the decision process for activities that clearly have no physical impact and requiring sufficient analysis for those that will alter environmental conditions), while ensuring that project decisions are well-documented.

Therefore, the environmental review requirements are divided on the basis of the level of impact that a proposed project might be anticipated.

There are four (4) levels of environmental review identified in Part 58. The criteria for these levels span the range of possible impacts, from none whatsoever to significant physical impact. The levels under Part 58 include:

1. Exempt (§ 58.34);
2. A. Categorically Excluded *subject* to (§ 58.35);
B. Categorically Excluded *not* subject to § 58.5
3. Environmental Assessment (§ 58.36 and Subpart E); and
4. Environmental Impact Statement (§ 58.37 and Subparts F and G).

NEPA and the implementing regulations at 40 CFR 1500-1508 establish direction for these review levels. The bases for these review levels, and categorizing various HOME-funded activities into the review levels is to determine if there is potential to cause significant impact on the human environment (i.e., natural resources, ecosystems, aesthetic, historic, cultural, social, economic, health, etc.).

EXEMPT

HUD has determined that exempt activities will have neither a physical impact, nor potential for altering any environmental conditions. Therefore, these actions are exempt from compliance with NEPA and the Federal laws and authorities cited at § 58.5.

According to 24 CFR 58.34, the following types of activities have been categorized as exempt from NEPA and other environmental laws and authorities:

- a) Environmental and other studies, resource identification, and the development of plans and strategies;
- b) Information and financial services;
- c) Administrative and management activities;
- d) Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation, and welfare or recreation needs;
- e) Inspections and testing of properties for hazards or defects;
- f) Purchase of insurance;

- g) Engineering or design costs;
- h) Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threat to public safety including those resulting from physical deterioration; and
- i) Any of the categorical exclusions listed in § 58.35(a) provided there are no circumstances that require compliance with any other Federal laws and authorities cited in § 58.5.

NOTE: Under HOME program rules, 24 CFR 92, in order to qualify as project costs, these activities must be associated with a specific project. Otherwise, they are considered administrative costs.

Content of ERR – Exempt Activities

1. The City must document in writing its determination that an activity meets the conditions for exemption. The City does not have to issue a public notice or request release of funds (RROF) [§ 58.34(b)].
2. In addition to making a written determination of exemption, the City must also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.]

CATEGORICAL EXCLUSIONS

This term refers to a category of actions that do not individually or cumulatively have potential for significant effect on the human environment (40 CFR 1508.4). Therefore, neither an environmental assessment (EA) nor environmental impact statement (EIS) is required to comply with NEPA.

Although these actions are categorically excluded under NEPA, a determination must still be made as to whether they would alter any environmental conditions that would require a review or compliance determination under the Federal laws and authorities cited in § 58.5.

The laws and authorities cited in § 58.5 are freestanding from NEPA, such as the National Historic Preservation Act of 1966, the Executive Orders on Floodplain Management and Wetlands Protection, and several regulations specific to HUD concerning the health and safety of project occupants, to name a few.

The City *must* certify that it has complied with the requirements under these laws and consider the criteria, standards, policies, and regulations of these laws and authorities. The section on “Compliance with NEPA and Related Federal Laws and Authorities” provides guidance on this.

However, HUD has determined that certain kinds of categorical exclusions, because of the nature of the actions, would never alter any environmental conditions to create circumstances requiring compliance with these laws and authorities. Therefore, §58.35 identify two types of categorical exclusions:

1. Categorical exclusions subject to §58.5, and
2. Categorical exclusions not subject to § 58.5.

CATEGORICAL EXCLUSIONS SUBJECT TO §58.5

Categorical exclusions *subject* to §58.5 are excluded from compliance with NEPA, but must comply with the other related Federal laws and authorities cited in §58.5. It is generally evident from the nature and magnitude of such activities they do not have potential to have a significant impact on the human environment however, these types of activities are physical in nature and will alter environmental conditions that could, for example, affect historic properties, floodplains, wetland areas, and endangered species. Actions in this category include:

1. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities (other than buildings)-e.g., replacement of water or sewer lines where the capacity is not changed more than 20 percent, reconstruction of curbs and sidewalks, and repaving of streets;
2. Removal of material and architectural barriers restricting the mobility of and accessibility to elderly and disabled persons;
3. Rehabilitation and improvement of single family (one-to-four unit) dwellings provided:
 - a. The unit density is not increased beyond four units,
 - b. The land use is not changed, and the footprint of the building is not increased in a floodplain or wetland;
4. Rehabilitation and improvement of multifamily dwellings provided:
 - a. the unit density is not increased more than 20 percent,

- b. it does not change residential use to non-residential use,
 - c. and the estimated cost of rehabilitation is less than 75 percent of the replacement cost;
- 5. An individual action on one to four dwelling units where there is a maximum of four units on any one site. The term "individual action" refers to new construction, development, demolition, acquisition, disposition, or refinancing;
- 6. An individual action on five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site;
- 7. Acquisition (including leasing) or disposition of, or equity loans on, an existing structure provided the structure acquired, financed, or disposed of will be retained for the same use; and
- 8. Any combinations of the above activities.

Content of ERR – Categorical exclusions *subject to § 58.5*

The City of Huntington Park will complete the *Certification of Categorical Exclusion (subject to 58.5)* and the *Statutory Checklist* forms to document its environmental findings. Such documentation must support the City's determinations related to compliance with the Federal laws and authorities cited in § 58.5. (Guidance on compliance is provided below in "Compliance with NEPA and Related Federal Laws and Authorities".)

Upon completion of the checklist, the City will make one of three environmental findings in writing:

- 1. The project converts to exempt and *does not* require public notification or approval from the City [§ 58.34(a)(12)];
- 2. The project invokes compliance with one or more of the laws and/or authorities and, therefore, *requires* public notification and approval from the City before funds are committed or spent; or
- 3. The unusual circumstances of the project may result in a significant environmental impact and, therefore, compliance with NEPA is required. Therefore, an environmental assessment (EA) must be completed.

The ERR must also contain:

- 4. *Supporting documentation used to prepare the review (See Source Documentation for Environmental Reviews).*

5. *If the project did not convert to exempt, a copy of public Notice of Intent to Request Release of Funds that was issued.*
6. *Copy of the Request for Release of Funds and Certification (HUD form 7015.15); and*
7. *Copy of Authority to Use Grant Funds (HUD form 7015.16), issued by the City of Huntington Park (or HUD).*

In addition to making a written determination of categorical exclusion, subject to § 58.5, the City must also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones. [See *Compliance Documentation Checklist (58.6)* form and discussion in "Other Requirements (§ 58.6)].

CATEGORICAL EXCLUSIONS NOT SUBJECT TO §58.5

The activities that are categorically excluded *not subject to § 58.5* have been determined by HUD not to have potential for altering any environmental conditions where a review or determination of compliance with the Federal laws and authorities would be required. Actions in this category include:

1. Tenant-based rental assistance;
2. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction---e.g., closing costs, down payment assistance, interest buydowns, and similar activities that result in the transfer of title;
3. Affordable housing pre-development costs with no physical impact---e.g., legal consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact; and
4. Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under Part 58, if the approval is made by the same RE that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under § 58.47.

Content of ERR – Categorical exclusion *not* subject to § 58.5

The City will document in writing its determination that an activity meets the conditions for categorical exclusion not subject to § 58.5, and complete the *Certification of Categorical*

Exclusion (not subject to 58.5) form to document designation of a HOME project or activity in this category. The City does not have to issue a public notice or request release of funds (RROF) [§ 58.34(b)].

In addition to making a written determination of categorical exclusion, subject to § 58.5, the City *must* also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones. [See *Certification of Categorical Exclusion (not subject to 58.5)* form and discussion in "Other Requirements (§ 58.6)"]

ENVIRONMENTAL ASSESSMENT

Environmental Assessment (EA) refers to a category of actions which, either individually or cumulatively, have potential for significant effect on the human environment (40 CFR 1508.4). Therefore, the potential environmental impacts on the human environment resulting from the proposed activity must be analyzed and evaluated according to NEPA procedures, as well as the other Federal laws and authorities cited at §58.5.

The environmental assessment (EA) is a public record that, upon completion, documents the City's findings and conclusions about environmental effects, and the reasons for its decision concerning those effects, as well as compliance with Federal laws and authorities.

Actions that may be funded by HOME and that fall into the category requiring an Environmental Assessment (EA) would include, but are not limited to:

1. New construction of five or more residential units on a single site;
2. New construction of five or more single family units on scattered sites that are less than 2,000 feet apart;
3. Major rehabilitation or reconstruction of residential units that increases or decreases the unit density more than 20 percent;
4. Expanding the footprint of a single family unit into the floodplain or wetland area;
5. Conversion of a non-residential structure to create a residential use;
6. Acquisition of land for development of a housing subdivision; and
7. Categorical exclusions with "extraordinary circumstances"-i.e., actions that are unique or without precedent, actions that are substantially similar to those that normally require an Environmental Impact Statement (EIS), actions that are likely

to alter existing HUD policy or HUD mandates, or action that, due to unusual physical conditions on the site or in the vicinity, have the potential for a significant impact on the environment or in which the environment could have a significant impact on users of the facility.

Content of ERR – Environmental Assessment (EA)

The City will complete a written determination that the project falls within this category. The EA includes the following information and analysis, according to NEPA regulations (40 CFR 1500-1508):

1. Determination of existing conditions;
2. Identification, analysis, and evaluation of all potential impacts on the human environment (i.e., social, economic and natural resources);
3. Examination and recommendation of feasible ways to eliminate or minimize adverse environmental impacts;
4. Examination of alternatives to the proposed action;
5. Compliance determination for all other Federal laws and authorities cited in §58.5; And Determination as to a finding of no significant impact (FONSI) or a finding of significant impact (FSI), which requires the execution of an Environmental Impact Statement (EIS).

The City will use the *Environmental Assessment* form in evidence of compliance with NEPA and the Federal laws and authorities cited in § 58.5.

Upon completion of the environmental assessment, the City will make either a finding of no significant impact (FONSI), or a finding of significant impact (FOSI) determination. In the event that a FONSI is made, the City *must* issue two public notices, submit a release of funds request and certification to HUD, and receive a release of funds from HUD before funds are committed or spent.

The ERR must also contain:

1. Supporting documentation used to prepare the review.
2. Copy of public Notice of Intent to Request Release of Funds, if project did not convert to exempt.
3. Copy of the *Request for Release of Funds and Certification* (HUD form 7015.15); and

4. Copy of the *Authority to Use Grant Funds* (HUD form 7015.16) issued by the City of Huntington Park (or HUD.)

In addition, the City *must* also determine whether the project triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.

ENVIRONMENTAL IMPACT STATEMENT (EIS)

It is not typical for a HOME project to trigger the Environmental Impact Statement requirements. If the City believes that a project it is contemplating as a possible HOME project may in fact trigger these requirements, it should consult with HUD immediately before taking any further action.

COMPLIANCE WITH NEPA AND RELATED FEDERAL LAWS AND AUTHORITIES

The following section provides guidance to assist the City in compliance with NEPA and the related Federal laws and authorities cited at § 58.5.

Historic Preservation (36 CFR Part 800) Section 106 of the National Historic Preservation Act requires the City to:

- a) Consider the effects of their undertakings on historic properties; and
- b) Provide the Advisory Council on Historic Preservation with a reasonable opportunity to comment with regard to such undertakings.

Compliance with Section 106 is achieved by initiating procedures the Advisory Council on Historic Preservation has outlined at 36 CFR Part 800. Section 800.2(a) recognizes the City's certifying officer as having authority to carry out these procedural responsibilities.

The focus of Part 800 is on the City making a determination whether a proposed project will affect buildings, structures, or places that are listed on or are eligible for listing on the National Register of Historic Places (NR). In making this determination, the City *must* follow a detailed review process in consultation with the State Historic Preservation Officer (SHPO). This process also provides an opportunity for interested persons, agencies, and Indian tribes to be part of the City's decision concerning historic properties that may be affected.

It is important to remember that before approval is given to proceed with HOME-funded projects, the environmental review record *must* show the Part 800 consultation process was completed.

Basic steps for compliance with the Section 106 Review Process (36 CFR Part 800) include:

1. Determine whether the project is an undertaking, or has no potential to cause effects on historic properties;
2. Define the area of potential effects (APE) for the undertaking;
3. Identify and evaluate historic properties in the APE;
4. Determine the effect of the undertaking;
5. Assess the effects on listed and/or eligible properties; and
6. Resolve any adverse effects.

Compliance Documentation Required – Historic Preservation

The ERR should contain one of these types of documentation:

1. Letter from SHPO that *no historic properties* will be affected;
2. The City adequately documented its finding of *no historic properties affected* and SHPO does not object within 30 days;
3. City documents that the project meets stipulations of a *Programmatic Agreement* executed with the SHPO; or
4. *Memorandum of Agreement* has been executed between the City and SHPO regarding mitigations measures that will be implemented to resolve adverse effects.

Floodplain Management (Executive Order 11988 and 24 CFR Part 55)

The purpose of Executive Order 11988 is to require the City to consider alternatives to developing projects in floodplains when other alternatives are available that achieve the same objective. This is to avoid risking lives and loss of property that results from occupying a floodplain, and to avoid losing the beneficial values of floodplains. Naturally vegetated floodplains can provide a broad area to spread and slow floodwaters, thereby reducing velocities and flood peaks. Slower floodwaters help maintain water quality because the slowed runoff allows sediments to be deposited. Floodplains are also important for recharging groundwater. Rainwater and surface water infiltrate through the generally porous soil of the floodplain into the groundwater.

The City of Huntington Park is required to avoid floodplain development whenever there are *practicable alternatives* to development in the floodplain. According to HUD regulation 24 CFR Part 55, floodplains are those land areas identified on maps published by FEMA as 100-year floodplain (Zones A or V). If the project is a “critical action,” the regulation also applies to areas in the 500-year floodplain (Zone B). Coastal high hazard areas are subject to high velocity waters, such as hurricane wave wash. FEMA maps designate these as Zones V1-30, VE, or V.

Most, if not all, communities in the U.S. have been mapped by FEMA. However, if a community has not been mapped by FEMA, the City must establish whether or not the area is subject to one percent or greater chance of flooding in any given year [Section 6(c) of the Executive Order]. The City *must* research the best available information to determine whether buildings or structures could be damaged by floodwaters because of their location.

The City may contract to have a special study completed or, use the following sources of information:

1. U.S. Corps of Engineers,
2. Community Flood Administrators;
3. U.S. Geological Survey Maps;
4. U.S.D.A. Natural Resources Conservation Service (formerly Soil Conservation Service); state departments of water resources;
5. county public works; or
6. Local flood control or levee districts.

The City of Huntington Park *must* follow and *comply* with the Basic steps for compliance with floodplain management requirements located at Section 55.20, which identifies the “eight-step” decision making process.

Executive Order 11988:

- Step 1: Determine whether the proposed action is located in a 100-year floodplain;
- Step 2 : If the project is in a floodplain, publish notice of the proposal to consider an action in the floodplain (15 calendar day comment period);
- Step 3: Evaluate practicable alternatives to locating the proposed action in a floodplain (“Practicable” means capable of being done within existing constraints);
- Step 4: Identify the potential impacts associated with occupancy and modification of the floodplain;
- Step 5: Design or modify the action to minimize adverse impacts and preserve the beneficial values of the floodplain;
- Step 6: Reevaluate whether the proposed action is practicable;
- Step 7: If the RE decides to proceed with the project, it must publish a notice of the decision, addressing why there is “no practicable alternative”, the alternatives that were

considered, and the mitigation measures being adopted. (Seven calendar day comment period.); and

- Step 8: Implement the proposed action with mitigation measures.

HUD has determined that certain activities are **excluded** from the 8-step decision-making process, including:

1. HUD assistance for purchasing,
2. mortgaging or refinancing one-to four family properties, and
3. minor repairs or improvements on one-to four-family properties [§ 55.12].

NOTE: Part 55 is not applicable if FEMA has issued a Letter of Map Revision (LOMR) or Letter of Map Amendment (LOMA) for the subject site in a floodplain.

Compliance Documentation Required – Floodplain Management

The ERR should contain one of these types of documentation:

1. Evidence the proposed action is not within a special flood hazard area mapped by FEMA (i.e., 100-year floodplain or 500-year floodplain for critical actions);
2. Documentation of the decision making process is not applicable (§ 55.12); or
3. The 8-step decision making process was completed and a decision made that there is *no practicable alternative*

Wetlands Protection (Executive Order 11990)

The purpose of the Executive Order 11990 (Wetlands Protection, May 24, 1977) is to:

1. Avoid, if possible, any long and short-term adverse impacts associated with destruction or modification of wetlands; and
2. To avoid direct or indirect support of new construction in wetlands whenever there is a practicable alternative.
3. Compliance Requirements for Wetlands Protection
4. If new construction or conversion of vacant land is being proposed in a designated wetland, the RE should follow the decision making process in § 55.20 (24 CFR Part 55) and conclude whether there is a practicable alternative to destroying or modifying the wetland.

NOTE: A permit from the U.S. Army Corps of Engineers *is required* if the wetland is within or adjacent to navigable waters of the U.S. or within the jurisdiction of the Corps.

Compliance Documentation Required – Wetlands Protection

1. The ERR should contain one of these types of documentation:
2. The proposed action does not include new construction or expanding the footprint of a building;
3. Evidence the new construction will not occur in a designated wetland or expand the footprint of a building into a wetland; or
4. There is *no practicable alternative*, according to the completed 8-step decision making process. (U.S. Army Corps of Engineers has issued a permit where they have wetland jurisdiction.)

Endangered Species (Endangered Species Act and 50 CFR 402)

Section 7 of the Endangered Species Act requires that, when Federal assistance is used for a project, a determination must be made whether continued existence of *Federally-listed* endangered or threatened species is likely to be affected, and whether it will result in their Critical Habitats being destroyed or adversely modified. The regulation implementing compliance with the Act is 50 CFR 402, issued by the Departments of Interior (U.S. Fish and Wildlife Service) and Commerce (U.S. National Marine Fisheries). The regulation also covers species or critical habitat that is *proposed for Federal-listing* and is likely to be jeopardized by the project.

Compliance Documentation Required – Endangered Species

The ERR should contain one of these types of documentation:

1. Evidence the habitat will not be altered or species affected.
2. If the proposed action may affect species or their habitat, there is evidence the USFWS or NMFS has reviewed the biological assessment and agrees with the findings of *no effect*.
3. If the proposed action will likely adversely affect species or their habitat, the USFWS or NMFS has issued either a “no jeopardy” or “jeopardy” biological opinion.

Coastal Zone Management Act

If the City chooses to use HOME funds for physical changes to properties or land within or adjacent to the coastal zone, the City *must* make a determination whether the project is *consistent* with the state’s approved coastal management program.

Compliance Documentation Required – Coastal Zone Management

1. The ERR should contain a general location map or statement establishing there are no coastal zone management areas in the community or State of California, or use other documentation that may be available.

Sole Source Aquifers

Aquifers are underground geological formations that yield a significant amount of water to a well or spring. The regulations at 40 CFR Part 149 requires the City to:

1. Determine whether a project is within a Critical Aquifer Protection Area designated by EPA; and
2. Whether project activities have the potential to contaminate the aquifer. For example, drilling water wells and constructing water treatment and industrial facilities have the potential of contaminating aquifers.

Compliance Documentation Required – Sole Source Aquifers

The ERR should contain one of these types of documentation:

1. Documentation the proposed action is not within the boundaries of an EPA designated SSA;
2. Documentation the action is not a regulated activity within the boundaries of a SSA; or
3. Documentation that EPA has reviewed and commented on the proposed action within a SSA.

Wild and Scenic Rivers Act

Entire river systems or portions of rivers may be designated wild, scenic, or recreational and included in the National Wild and Scenic Rivers System (NWSRS) either by Act of Congress, or may be designated by a state or states if the U.S. Secretary of Interior finds it meets the criteria established by the Act.

In order to be in compliance with this Act, the City must:

1. Determine whether any river listed in the NWSRS, or that is designated for inclusion in the NWSRS, would be directly and adversely affected by development activities associated with the project; and
2. If the project is located above or below a listed river, the City must determine whether the project will impact the river management area or could unreasonably diminish the scenic, recreational, and fish and wildlife values present in the area.

Compliance Documentation Required – Wild and Scenic Rivers

1. The ERR should contain one of these types of documentation:

2. Evidence the proposed action is not within *one mile* of a designated Wild, Scenic, or Recreational River (<http://www.nps.gov/rivers/wildriverslist.html>); or
3. Documentation that contact was made with the Federal (or State) agency that has administrative responsibility for management of the river and that the proposed action will not affect river designation.

Clean Air Act

The Clean Air Act is a Federal law; however, the states do much of the work to carry out most of the Act. Each state develops state implementation plans (SIP) that contain its objectives and regulations for carrying out the Clean Air Act.

The purpose of an implementation plan is to ensure that ambient concentrations of any of six air pollutants are within the established levels of the National Ambient Air Quality Standards (NAAQS). The six pollutants are

1. ozone,
2. carbon monoxide,
3. particulate matter,
4. sulfur dioxide,
5. lead, and
6. nitrogen

Sources for pollutants include transportation vehicles, industrial facilities, and farming operations.

Asbestos removal and abatement is a part of the Clean Air Act. Refer to 40 CFR 61, Subpart M, National Emission Standards for Hazardous Air Pollutants (NESHAP.)

Compliance Documentation Required – Clean Air Act

The ERR should contain one of these types of documentation:

1. A resource expert has determined the proposed action is not of a type that would contribute air pollution;
2. The proposed action is within an area in *attainment* with the NAAQS for all six pollutants; or
3. The proposed action is within a *non-attainment* area for one or more of the pollutants but is in conformance with the State Implementation Plan (SIP).

Farmland Protection Policy Act (7 CFR Part 658)

The purpose of the Farmland Protection Policy Act is to minimize the effect of Federal programs on the unnecessary and irreversible conversion of farmland to nonagricultural uses. The Act does not apply to lands already in, or committed to, urban development (i.e., 30 structures per 40 acres or water impoundment). However, land that meets the definition of prime or unique farmlands, or is determined to be of statewide or local significance (with concurrence by the U.S. Secretary of Agriculture) is subject to the Act.

If the City cannot determine whether or not the land is classified as prime or unique, it should request the USDA Natural Resources Conservation Service (NRCS) to make the determination by submitting Form AD-1006, the Farmland Conversion Impact Rating form. These forms are available at NRCS offices.

Compliance Documentation Required – Farmland Protection

The ERR should contain one of these types of documentation:

1. Evidence the current zoning classification is not for farmland use (i.e., residential use, commercial use, etc.);
2. Information from NRCS that shows the site is not prime or unique farmland; or
3. Evidence from NRCS shows the site is classified prime or unique agricultural land, and the RE completed and submitted form AD-1006 to NRCS and received its comments.

Environmental Justice (Executive Order 12898)

The Executive Order on Environmental Justice directs each Federal agency, and in the case of Part 58 the RE, to make achieving environmental justice part of its mission by "identifying and addressing as appropriate disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations." Presently, there aren't any regulations for implementing the Executive Order. However, HUD has issued a Strategy Plan for Implementing Environmental Justice, which it uses as guiding principle in deciding whether the project could result in disproportionate high and adverse effects on these populations.

During the environmental review process, health and environmental issues may arise concerning the suitability of the project site for its intended use, particularly its suitability for human habitation. The City should document how the Executive Order was given consideration in its final decision.

Compliance Documentation Required – Environmental Justice

The ERR should contain ALL these types of documentation:

1. The proposed action is compatible with surrounding land uses;
2. The site or surrounding neighborhood does not suffer from adverse environmental conditions;
3. The proposed action would not create a negative environmental impact or aggravate an existing impact.

Site Contamination from Hazardous and/or Radioactive Materials [§ 58.5(i)(2)]

Section 58.5(i)(2) states that all properties receiving HUD assistance must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances that *“could affect the health and safety of the occupants of conflict with the intended utilization of the property.”*

Properties having clear health risks for the occupants or inhabitants should be rejected. For multifamily housing (5 or more dwelling units) compliance with this policy requires efforts to identify any hazardous substances and radioactive materials that may be on site or off site that could harm inhabitants, as well as an evaluation of previous uses of the properties.

Compliance Documentation Required – Site Contamination

The ERR should contain one of these types of documentation:

1. Evidence the site is not contaminated (For multifamily housing projects this includes on site and off site contamination and previous uses of the site);
2. Evidence supporting a determination the hazard will not affect health and safety of the occupants or conflict with the intended use of the site

Explosive/Flammable Operations (24 CFR 51, Subpart C)

The purpose of this HUD regulation is to ensure there is an *acceptable separation distance* between people and buildings from stationary aboveground storage tanks more than 100 gallons in size and that contain materials that are explosive or flammable in nature (e.g., gasoline, fuel oil, kerosene, crude oil, propane). This is to prevent injury to people and damage to property from industrial accidents.

The City *must* determine if there are hazardous liquids and gases being stored ***within one mile of the project***, and ***within line-of sight of the project***.

The regulation does not apply to rehabilitation of buildings that will not increase residential densities, convert buildings for habitation, or makes vacant buildings habitable (§ 51.201).

Neither does the regulation apply to individual fuel supply for one to four family housing units (Memorandum from Office of Environment and Energy, HUD, October 3, 1992).

Compliance Documentation Required – Stationary Aboveground Storage Tanks

The ERR should contain one of these types of documentation:

1. Document the proposed action does not meet the definition of a “HUD assisted project” (§ 51.201);
2. Field review documentation or aerial photos show no aboveground tanks within *one mile*;
3. If tanks are within one mile:
4. There’s an effective barrier;
5. There’s an *acceptable separation distance* for people and buildings;
6. The people and buildings can be protected with mitigation measures.
7. Noise Abatement and Control (24 CFR 51, Subpart B)

Noise Abatement and Control (24 CFR 51, Subpart B)

The purpose of this HUD regulation is to encourage suitable separation between noise sensitive lands uses, particularly housing, and major noise sources (i.e., roadways, railroads, and military and civilian airports).

The City must determine whether there are any major roadways with 1,000 feet, railroads within 3,000 feet, and military or civilian airports (regulated by the Federal Aviation Administration) that are within 15 miles of the project.

HUD’s noise standards are based on the Day-Night Average (DNL) Sound Level System---a system of calculating noise exposure instead of measuring it with instruments. This system is a 24 hour average sound level (expressed in decibels), with an additional 10 decibels added for nighttime noise. The calculation is based upon projected conditions that are expected at least 10 years beyond the project approval date.

Noise is considered *Acceptable* when the exterior noise level is *65 DNL or less*. Otherwise, attenuation measures must be incorporated into construction plans (*66-75 DNL, Normally Unacceptable*). If the exterior noise level is *above 75 DNL* (Unacceptable), the project requires special approval from the certifying officer, or it should be disapproved [24 CFR 51.104(a)(2)].

The City *must* determine whether the exterior noise level at the project site is within HUD’s standard for acceptability, or whether noise attenuation is required or another site should be selected for the project. Making this determination may require completing a noise calculation for

roadways, railroads, and/or airports according to guidelines provided in The Noise Guidebook [HUD-953-CPD(1)]. This guidebook is issued by and available from HUD online.

Compliance Documentation Required – Noise Abatement and Control

The ERR should contain one of these types of documentation:

1. Documentation the proposed action is not:
2. *A noise sensitive land use*, according to [§ 51. 101(a)(2)] (i.e., housing);
3. Within 1000 feet of a major roadway, 3,000 feet of a railroad, or 15 miles of a military or FAA-regulated civil airfield.
4. If within those distances, documentation shows there's an effective noise barrier;
5. If within those distances, documentation shows the noise level is *Acceptable* (at or below 65 DNL);
6. Documentation shows the noise generated by the noise source(s) is *Normally Unacceptable*, and noise attenuation requirements are identified and will bring the interior noise level to 45 DNL and/or exterior noise level to 65 DNL.

Airport Clear Zones (24 CFR 51, Subpart D)

Clear Zones, Runway Clear Zones, and Accident Potential Zones are designated areas at the end of airport runways where the greatest number of airplane accidents occur (about 75 percent). This HUD regulation prohibits using HUD assistance for:

1. New construction; and
2. Major or substantial rehabilitation and modernization activities if projects are located within a Clear Zone or Runway Clear Zone.
3. It also prohibits using HUD assistance for these activities in an Accident Potential Zone, if such activities would:
4. Change the current use of the facility;
5. Significantly increase the density or number of people at the site; or
6. Introduce explosive, flammable, or toxic materials to the area.

However, this prohibition does not apply to the purchase, sale, or rental of existing properties, nor to minor rehabilitation/modernization or emergency assistance activities.

NOTE: (Minor rehabilitation/modernization would mean, for Clear Zones and Runway Clear Zones, it does not significantly prolong the physical or economic life of a building. for Accident Potential Zones, it does not change its use, increase density, or introduce explosive, flammable, or toxic materials. See § 51.302.)

Compliance Documentation Required – Airport Clear Zones

The ERR should contain one of these types of documentation:

1. Documentation there are no FAA-regulated airports within 2500 feet and/or Department of Defense airfields within 15,000 feet (about 2.8 miles) of the proposed project;
2. There's documentation the rule is not applicable to the proposed project (i.e., acquisition of an existing building, "minor" rehabilitation, or emergency action);
3. The project is within the specified distances, but the map of the airport/airfield shows the proposed action is not located within a Runway Clear Zone, Clear Zone, or Accident Potential Zone.

Compliance with NEPA

The focus of NEPA is on addressing potential impacts related to the human environment (i.e., social, economic and natural resources). So, not only must the Environmental Assessment (EA) address compliance with the Federal laws and authorities (§ 58.5) that were previously discussed in this chapter, but the City must also address additional environmental factors.

The City *must* determine the effects of the proposed project on the character, features and resources of the project area. Determinations of impact should be based on:

1. site observations,
2. information from relevant documents and reports,
3. special studies, or
4. correspondence with the appropriate government agencies.

The City of Huntington Park will visit the project site to assess or determine the presence/absence of the following factors included in the *Environmental Assessment Checklist* that includes:

1. Unique and natural features;
2. Site suitability, access, and compatibility with the surrounding environment;

3. Soil stability, erosion, and drainage;
4. Nuisances and hazards (manmade or built); and
5. Commercial/retail and transportation.

The City *must* contact the appropriate local agencies to assess the impact that the project will have on the areas listed in the checklist. Detailed guidance is provided in the HUD publication entitled Environmental Review Guide for Community Development Block Grant Programs under Title I of the Housing and Community Development Act of 1974, as Amended (HUD-CPD-782(2), September 1991).

A summary of some of this guidance is includes:

1. **Unique and natural features.** To supplement the determination of unique and natural features, contact your state agency that deals with natural resources to determine if any designated Natural Areas or Rare Species Habitats will be affected by the project.
2. **Site suitability, access, and compatibility with the surrounding environment.** To supplement the determination of site suitability, accesses, and compatibility with the surrounding environment, contact the local planning agency or board.
3. **Soil stability, erosion, and drainage.** To supplement the determination of soil stability, erosion and drainage, refer to the Natural Resource Conservation Service (NRCS) County Soil Survey to determine if engineering restraints are indicated. The Soil Survey may be obtained by contacting the local NRCS office. Provide comments from the site engineer or local development department if engineering restraints are indicated based on the Soil Survey. Where applicable, a review of a geologic map produced by the state geological surveys may be required.
4. **Water supply/sanitary sewers.** To assess water supply/sanitary sewers, contact the local public works department.
5. **Solid waste disposal.** To assess solid waste disposal, contact the local public works department.
6. **School services.** To assess school services, contact the local school board.
7. **Parks, recreation, and social services.** To assess parks, recreation, and social services contact the local planning department, parks and recreation department, and social services department.
8. **Emergency health care, fire and police services.** To assess emergency health care, fire, and police services contact the local fire department, police department, and emergency management organization.

9. **Transportation.** To assess transportation contact the state or city transportation department.

Once determinations have been made, the appropriate impact code must be entered from the list provided in the EA that signifies:

1. No impact anticipate;
2. Potentially beneficial;
3. Potentially adverse;
4. Requires mitigation; and
5. Requires project modification.

The City *must* note names, dates of contact, telephone numbers and page references as well as any mitigation measures required. Attach additional source documentation to the EA as appropriate.

OTHER REQUIREMENTS (§ 58.6)

The following section outlines other Environmental Review requirements.

A. Flood Insurance

Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) requires that Federal funds shall not be provided to an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazard areas unless:

1. The community is participating in the National Flood Insurance Program, or it has been less than a year since the community was designated as having special hazards; and
2. Flood insurance is obtained.

The City of Huntington Park is responsible for ensuring that property owners receiving HOME assistance take flood insurance on properties located in a 100-year floodplain. Flood insurance must be taken for the life of a loan, or the useful life of an improvement funded by a grant.

B. Coastal Barriers

HUD Assistance may *not* be used for HOME assisted activities proposed in the Coastal Barrier Resource System. The Act prohibits Federal assistance for development or improvement of barrier islands that are subject to frequent damage by hurricanes and high storm surges.

C. Runway Clear Zone or Clear Zone

1. The City *must* advise buyers of existing property whether the property is located in a runway clear zone or clear zone.
2. The City *must* inform the buyer of the implications of such a location, and that there is a possibility that the property may, at a later date, or be acquired by the airport operator.
3. The buyer *must* sign a statement acknowledging receipt of this information. (A copy of this disclosure statement, *Notice to Prospective Buyers of Properties Located in Runway Clear Zones and Clear Zones/Accident Potential Zones*, is contained in the EA form.)

RELEASE OF FUNDS AND APPROVAL PROCESS

The City of Huntington Park will adhere to the following steps related to the release of funds and approval process.

Public Notification

The public notification process is an integral part of the environmental review process that allows the public, interested persons, and agencies to voice their opinions about the project's potential environmental impact and the City's environmental findings.

Public notices are required when the City determines that:

1. a project which is categorically excluded subject to § 58.5 cannot convert to exempt, or
2. when the City prepares an environmental assessment (EA) or environmental impact statement (EIS)

A. Categorical Exclusions That Cannot Convert to Exempt

The City *must* issue a *Notice of Intent to Request Release of Funds* if:

1. the proposed activity triggers compliance with any of the Federal laws and authorities, and
2. There is documentation supporting the finding, Publish or post/mail a *Notice of Intent to Request Release of Funds* (NOI/RROF), according to §§ 58.45 and 58.70.

Public Comment

1. A minimum of 7 calendar days must be allowed for public comment if the notice is published in a newspaper of general circulation in the affected community, or
2. A minimum of 10 calendar days if the notice is posted and/or mailed, according to established citizen participation procedures.

3. NOTE: If the notice is published, it only needs to appear once in the newspaper and does not have to be published again for each of the 7 days of the comment period. If posted, the notice must be maintained in place until after the public comment period has expired.
4. The public comment period begins at 12:01 a.m. local time on the day following the publication or posting/ mailing date of the notice (§ 58.21).
5. The City must consider and respond to any comments received, and resolve any outstanding issues before signing and submitting a *Request for Release of Funds and Certification* to HUD.
6. A copy of the public notice *must* accompany this request.
7. HUD has 15 calendar days from the date it receives the City's request (or 15 days from the date that it appears in the notice, whichever is later) before it may approve release of funds, (*Authority to Use Grant Funds* is issued).

Additionally, the City *must* when publishing or posting/ mailing the notice, at minimum distributes a copy of the notice, to:

1. individuals and groups known to be interested in the project/activities,
2. to the local news media,
3. to the appropriate tribal,
4. local, state and Federal agencies, and
5. Regional Office of the Environmental Protection Agency having jurisdiction, and to HUD (§ 58.45).

Environmental Assessments

Upon completion of the EA, the City will make either:

1. A finding of no significant impact (FONSI), or
2. A finding of significant impact (FOSI) determination.

In the event that a FONSI is made, the City *must* issue two public notices:

1. *Finding of No Significant Impact* (FONSI) and
2. *Notice of Intent to Request Release of Funds* (NOI/RROF).

NOTE: These notices may be published concurrently.

When there is a combined FONSI/NOI-RROF notice:

1. A minimum of 15 calendar days must be allowed for public comment if the notice is published in a newspaper of general circulation in the affected community, or
2. A minimum of 18 calendar days if the notice is posted and/or mailed, according to established citizen participation procedures.

NOTE: If the notice is published, it only needs to appear once in the newspaper and does not have to be published again for each of the 15 days of the comment period. If the notice is posted, it must be maintained in place until after the public comment period has expired.

The public comment period begins at 12:01 a.m. local time on the day following the publication or posting/ mailing date of the notice (§ 58.21).

1. The City *must* consider and respond to any comments received, and resolve any outstanding issues before signing and submitting a *Request for Release of Funds and Certification* to HUD.
2. A copy of the public notice must accompany this request.
3. HUD has 15 calendar days from the date it receives the City's request (or 15 days from the date that appears in the notice, whichever is later) before it may approve release of funds, (*Authority to Use Grant Funds* is issued.)

In the event that a FOSI is made:

1. The City *must* initiate an Environmental Impact Statement (EIS) in accordance with Subparts F and G of Part 58.

An EIS has additional public involvement and notification requirements.

Additionally, the City must at minimum when publishing or posting/ mailing the notice distribute a copy of the notice, to:

1. Individuals and groups known to be interested in the project/activities, to the local news media,
2. To the appropriate tribal,
3. Local, state, and Federal agencies,
4. To Regional Office of the Environmental Protection Agency having jurisdiction, and to HUD (§ 58.45).

NOTE: All projects involving the rehabilitation of existing buildings or structures must be free of friable asbestos. Testing by a state-certified asbestos testing company or individual for the presence of friable asbestos must be conducted before HOME assistance can be approved.

EXHIBIT 10 SUMMARY OF ENVIRONMENTAL REVIEW ACTION BY ACTIVITY

Activity	Action	Documentation/Form	Notes
Administration	Exempt § 58.34 (a)	Complete <i>Certification of Exemption</i>	Under HOME rules, funds must be associated with a specific project to be considered a project cost rather than an administration cost.
TBRA	Cat. Ex. <i>Not subject to</i> § 58.5 § 58.35 (b)(1)	Complete <i>Certification of Categorical Exclusion (not subject to § 58.5)</i>	Public notification and HUD approval is not required.
Homeowner-Rehabilitation	Cat. Ex. <i>Subject to</i> § 58.5 § 58.35 (a)(3)(i)	Complete <i>Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Homeowner-Reconstruction	Cat. Ex. <i>Subject to</i> § 58.5 § 58.35 (a)(4)(ii)	Complete <i>Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Homebuyer Acquisition existing unit	Cat. Ex. <i>Subject to</i> § 58.5 § 58.35 (a)(5)	Complete <i>Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.

Homeowner-New Construction development (single family 1-4 units)	Cat. Ex. <i>Subject to</i> § 58.5	<i>Complete Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
New Construction development (5 or more single family units on scattered sites: • The scattered sites are <i>more than</i> 2,000 feet apart, and • No more than 4 units per site	Cat. Ex. <i>Subject to</i> § 58.5 § 58.35 (a)(4)(ii)	<i>Complete Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Acquisition, Rehabilitation and Resale (single family 1- 4 units)	Cat. Ex. <i>Subject to</i> § 58.5	<i>Complete Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD Approval is required prior to committing and expending funds.
Rental Acquisition existing building (single family 1-4 units or multifamily)	Categorically Excluded <i>Subject to</i> § 58.5	<i>Complete Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Rental Rehabilitation (multi-family 5 or more units): ✓ Unit density will not change more	Categorically Excluded <i>subject to</i> § 58.5	<i>Complete Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance</i>	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.

than 20% as a result of rehab; ✓ Current use will not changed from ✓ residential to nonresidential; and/or ✓ Estimated cost of rehab is less than ✓ 75% of replacement cost after rehab		<i>Documentation Checklist (58.6)</i>	
Vacant Land Acquisition for New Construction (Rental or Single Family, 5 or more units on a site)	Environmental Assessment	Complete <i>Environmental Assessment</i> (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds
New Construction development (5 or more single family units on scattered sites): ✓ The scattered sites are <i>less</i> ✓ <i>than 2,000</i> feet apart, and/or ✓ There a more than 4 units per site	Environmental Assessment	Complete <i>Environmental Assessment</i> (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds
Homeowner-Rehabilitation ✓ Footprint of building is increased in a floodplain or wetland.	Environmental Assessment	Complete <i>Environmental Assessment</i> (which includes NEPA and related Federal laws and authorities at §	Public notification and HUD approval is required prior to committing and expending funds

		58.5, as well as § 58.6 requirements)	
Rental Rehabilitation (multi-family 5 or more units): ✓ Unit density is changed more than 20% as a result of rehab; ✓ Current use will be changed from residential to nonresidential or vice versa; and/or ✓ Estimated cost of rehab is more than 75% of replacement cost after rehab	Environmental Assessment	Complete <i>Environmental Assessment</i> (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds

NOTE: Except for administrative costs, combinations of activities above that make up a project must be evaluated in a single environmental review. Whichever of the project activities requires the highest level of review dictates the type of review required for the entire project.

PROCEDURE

1. The City of Huntington Park City Manager is the designated Certifying Official. The City Manager will sign all appropriate HUD certifications and the like.
2. The City's environmental review process will be completed by the Planning and Community Development Department Director and/or his/her designator.
3. The City will ensure the proper classification, completeness, and accuracy of the environmental review preparation.
4. The Insert job title will execute the request of release of funds (RROF), and submitting it to HUD, which issues the environmental clearance, if applicable.
5. By the City's Certifying Official (CO) signing the RROF, he/she is certifying the City:
 - a. *Request of Release of Funds and Certification*, Has carried out its responsibilities for environmental review, decision-making and action pertaining to the proposed HOME-funded project
 - b. Has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969 (NEPA), as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR

§58.5; and also agrees to comply with the authorities in 24 CFR §58.6 and applicable State and local laws.

- c. Has, after considering the type and degree of environmental effects identified by the environmental review completed for the proposed project, found that the proposal did not require the preparation and dissemination of an environmental impact statement (EIS). (Note: If it is an EIS is needed, contact the HOME Program immediately for further guidance.)

NOTE: In certain limited instances, a project that is considered Categorically Excluded, and Subject to 24 CFR Part 58.5, may convert to Exempt after the Statutory Checklist has been completed (see instructions for the Statutory Checklist, <http://housing.mt.gov/content/HM/docs/HMAdminManual/Chap2/2011/HMChap02Exh2G2CESTInstruct.doc> for further guidance Exhibit xxx).

- d. Has disseminated and/or published in the manner prescribed by 24 CFR §§58.43 and 58.55 a notice to the public in accordance with 24 CFR §58.70 and evidenced by the copy (copies) or evidence of posting and mailing procedure attached to the environmental review package submitted to the HOME Program.
- e. Is in compliance with procedures and requirements of 24 CFR Part 58 relating to the dates for all statutory and regulatory time periods for review, comment, or other action.
- f. Has, in accordance with 24 CFR §58.71(b), advised the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.
- g. As the duly designated certifying official of the responsible entity, the CO is also certifying that:
- h. He/she is authorized to and consents to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR §58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making, and action that have been assumed by the responsible entity.
- i. He/she is authorized to and accepts on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in his/her capacity as certifying officer of the responsible entity.

CHAPTER 10: ADMINISTRATIVE REQUIREMENTS

PART 1: GENERAL REQUIREMENTS

ELIGIBLE ADMINISTRATIVE AND PLANNING COSTS

The City of Huntington Park will implement the following general administrative procedures:

1. Charge no more than the allowed maximum of 10 percent of the HOME allocation for reasonable administrative and planning costs including staff costs as well as other administrative costs.
2. Charge no more than the 10 percent cap for certain soft costs incurred that is project-related.
 - If a consultant is used the consultant fee, if any, must be included in an amount not to exceed ten percent (10 percent) of the requested HOME Program allocation in the proposed development budget.
 - If a consultant is not used the amount must not exceed ten percent (10 percent) of the requested HOME Program allocation as reimbursement of project delivery costs.
 - The HOME Program allocation may not include both a consultant fee and a project delivery cost reimbursement
3. Utilize **ONLY** one of the two following options when charging eligible administrative and planning costs that include expenditures for salaries, wages, and related costs of City staff responsible for the HOME Program administration:
 - Option 1:** Include the entire salary, wages, and related costs of each person whose primary responsibility involves program administration assignments.
 - OR**
 - Option 2:** Determine the pro rata share of salary, wages, and related costs of each person whose job includes any program administration assignments for each person.
4. Restrict charging other planning and administrative costs to include:
 - Goods and services necessary for administration (utilities, office supplies, etc.);
 - Administrative services under third party agreements (e.g., legal services);
 - Administering a tenant-based rental assistance (TBRA) program;
 - Providing public information;
 - Fair housing activities;
 - Indirect costs under a cost allocation plan prepared in accordance with applicable Office of Management and Budget (OMB) Circular requirements and approved by the City of Huntington Park ; and
 - Complying with other Federal requirements.
5. Restrict charges of eligible project-related soft costs to include Staff and overhead costs: incurred by the City or a third party contractor that are directly related to carrying out specific HOME **projects** that include:

- Appraisals;
 - Preparation of work specifications;
 - Loan processing and underwriting;
 - Construction inspections and oversight;
 - Inspections for the presence of lead hazards or defective paint;
 - Advisory and other relocation services;
 - Project-specific environmental reviews; and
6. Administrative costs charged to the project will not be included in the loan to the project owner.
7. If the project does not go forward, project costs must be charged as administrative costs. For further guidance, refer to HUD Notice CPD 06-01 "Administrative Costs, Project-related Soft Costs, and Community Housing Development Organization (CHDO) Operating Expenses under the HOME Program," which is available online at <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/notices/>.

UNIFORM ADMINISTRATIVE REQUIREMENTS SUB-PART K (24 CFR 92.500 - 92.509)

The City of Huntington Park will comply with the following administrative requirements pertaining to the financial management and audit standards.

1. 2 CFR, Part 225 "Cost Principles for State, Local, and Indian Tribal Governments": This circular establishes principles and standards to provide a uniform approach for determining allowable costs under Federal grants and other agreements with states and local governments and Indian tribal governments.
2. Certain provisions in 2 CFR Part 200: These regulations set forth uniform requirements for financial management systems, procurement, reports and records, and grant close-outs for Recipients of Federal grant funding.
3. 2 CFR Part 200. (Audit Requirements): Audit thresholds and requirements are outlined in 2 CFR Part 200.
4. 2 CFR, Part 230 "Cost Principles for Non-Profit Organizations," or, for institutions of higher education, OMB Circular A-21 "Cost Principles for Educational Institutions": This circular establishes principles for determining allowable costs under grants, contracts and other agreements with nonprofit organizations.
5. Certain provisions of 2 CFR Part 200: The regulations at 2 CFR Part 200 implement 2 CFR, Part and set forth uniform requirements for nonprofit organizations, including financial management systems, property standards, procurement standards, reporting and record-keeping.
6. The requirements at 2 CFR Part 200, "Standards for Financial Management Systems" applies to CHDOs who are acting as an owner, developer or sponsor of HOME assisted housing.

WRITTEN AGREEMENTS

Written agreements are important legal documents that assist the City of Huntington Park to protect investments and enforce HOME Program rules, for verifying compliance and monitoring performance, and methods of enforcing program requirements.

The City of Huntington Park 's written agreement will serve as a concise statement of the relationship between the City and a funded entity/beneficiary of HOME funds. It will also clearly state the conditions under which the HOME funds are provided.

1. Required provisions.

The City of Huntington Park HOME agreements will include at minimum provisions based on the Final Rule (24 CFR Part 92) that details the specific HOME provisions that must be included in written agreements for beneficiaries that may receive HOME funds. The provisions are:

- **Use of funds:** Description of tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement. (For nonprofit and for-profit housing owner, sponsor, or developers, the duration of the agreement will be in a separate clause.)
- **Reversion of assets/program income requirements:** States whether program income, unexpended funds, or other assets will be returned to the City.
- **Uniform administrative requirements:** Compliance with applicable Federal administrative requirements 24 CFR, Part 225 and applicable provisions of 24 CFR Part 200 for governmental entities, or 24 CFR, Part 230 and applicable provisions of 24 CFR Part 200 for non-profit entities).
- **Other Federal requirements:** Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict-of-interest.
- **Affirmative marketing:** Requirements for affirmative marketing in projects of five or more HOME-assisted units.
- **Requests for disbursements of funds:** Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be returned to the City of Huntington Park before any new funding requests will be provided.
- **Records and reports:** Enumeration of records that must be maintained, and information and reports that must be submitted.
- **Enforcement of the agreement:** This provision is in the agreement with all parties, including owners, and is the means of enforcing the provisions of the written agreement.
- **Dated signatures of the agreements:** Compliance with applicable HOME regulations at 24 CFR Section 92.2. defines "commitment" as participating jurisdiction (PJ) has executed a

legally binding written agreement (that includes the date of the signature of each person signing the agreement) that the minimum requirements for a written agreement in 24 CFR Section 92.504(c).

- Note: putting a date at the front of the agreement does not meet the requirement. The date must be next to each person signing the agreement. Or, as indicated by a notary.

2. Template agreements

- The City's template contracts, agreements and other legal documents as provided by the City's Planning and Community Development staff must be used.

3. Duration of agreements

- The agreement must specify the duration of the agreement. If the housing assisted under the agreement is rental housing, the agreement must be in effect through the affordability period required by the City of Huntington Park. If the housing assisted under this agreement is homeownership housing, the agreement must be in effect at least until the completion of the project and transfer of ownership to a low-income family.

4. Amending the documents

- Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustments to funding levels or other conditions related to a specific project are needed.

EXHIBIT 11 WRITTEN AGREEMENT REQUIRED PROVISIONS

Required PROVISION (§92.504)	Subrecipients	Owners, Sponsors, Developers (CHDOs)	Contractors	Homeowners
Use of HOME Funds	✓	✓	✓	✓
Affordability (§92.252 or §92.254)		✓		
Program Income	✓			
Uniform Administration requirements (§92.505)	✓			
Project requirements (as applicable in Subpart F)		✓		2.254 (b) only
Property Standards (§92.251 and §92.355)		✓		
Other Program Requirements (Subpart H except (§92.252 and §92.357)	✓	✓	Except 92.505,	

			92.506, 92.352	
Affirmative Marketing ((§92.351)	✓	✓		
Requests for Disbursement of Funds	✓	✓		
Reversion of Assets	✓	✓		
Records and Reports	✓	✓		
Enforcement of the Agreement (\$92.252 and 2 CFR Part 200 as applicable)	✓	✓		
Duration of the Agreement		✓	✓	
CHDO Provisions ((§92.300 and (\$92.301)		✓		
Suggested Provisions (not HOME Requirements)	Subrecipients	Owners, Sponsors, Developers (CHDOs)	Contractors	Homeowners
Roles and Responsibilities	✓	✓		
Description of the Project	✓	✓		
Performance Standards	✓	✓		
Conflict of Interest	✓	✓	✓	
Monitoring	✓	✓		
Close-out Requirements	✓	✓		
Non-Compliance	✓	✓	✓	

PROCEDURE

1. Before any City of Huntington Park HOME funds are committed or disbursed in IDIS the City will enter into a written agreement. Financing is secured only after the City of Huntington Park issued a commitment of the funds by entering into a written agreement.
2. For all development activities, the City of Huntington Park will select and/or approve a closing entity to provide closing services for all HOME Program transactions using the City's approved documents.
3. The City of Huntington Park Planning and Community Development staff will provide closing instructions for all HOME Program funded transactions to the closing entity.
4. The City of Huntington Park will be responsible for payment of costs associated with closing the HOME Program portion of the transaction on both homeowner and rental activities.

The City's PROGRAMS Agreement is detailed on the following page (Exhibit 12):

EXHIBIT 12

HOME PROGRAM AGREEMENT AND CITY AFFORDABILITY AGREEMENT BETWEEN THE CITY OF HUNTINGTON PARK AND THE APPLICANT FOR THE OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM

HOMEOWNER NAME(S) & PHONE NO.	PROPERTY ADDRESS:	CONTRACTOR NAME, ADDRESS, PHONE NO.:
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This HOME Investment Partnerships Program Housing Rehabilitation Agreement ("Agreement") is entered into by the City of Huntington Park, California ("the City") and _____ (hereinafter called "Homeowner" whether one or more persons). This Agreement applies only to the Homeowner and dwelling unit ("Property"), as identified above. This Agreement describes the HOME Program rules and the City affordability requirements that pertain to the assistance provided through the City's HOME Housing Preservation Program (HHPP). The duration of the HOME portion of this Agreement is thirty (30) days from the date of completion of rehabilitation work as defined herein. The duration of the City's affordability period and the deed of trust shall continue until a change in title occurs, as defined herein.

By initialing the items listed below, Homeowner and Contractor confirm that each item has been read and Homeowner and Contractor understand and agree to comply with each item, as applicable:

1. USE OF HOME PROGRAM FUNDING

_____ The City will provide HOME Program funding in the amount of \$_____ as a deferred loan with a HOME compliance period of thirty (30) days;

_____ A City imposed affordability period will run concurrent to the HOME compliance period and extend forward until there is a transfer of title for any of the following reasons: The property is sold; the property is foreclosed on; the property is refinanced; the property is leased; the applicant(s) fail(s) to occupy the property as their primary residence;

_____ In the event that one of the Homeowner's dies, ownership as stipulated by California Real Estate law transfers to the surviving individual. This procedure is not a transfer of title. Consequently, the remaining Homeowner will assume the loan pursuant to the original terms of the loan.

_____ At the time Homeowner is approved for HOME Program assistance, Homeowner has an ownership interest in and occupies the Property to be rehabilitated as his/her principal residence.

Homeowner agrees to continue to occupy the Property as his/her principal residence for the HOME Compliance Period and the City's Affordability Period.

_____ At the time Homeowner is approved for the HOME Program assistance, the Homeowner qualifies as a low-income household with a gross household income that does not exceed 80% of the area median income as established by the U.S. Department of Housing and Urban Development for the Los Angeles MSA adjusted for household size, and as updated annually.

_____ The City Affordability Period will be secured by a promissory note and recorded subordinate deed of trust (no lower than second position). Monthly payments will not be required on this portion of the assistance. This assistance will be provided at 0% interest,

_____ If, during the City's Affordability Period, the Homeowner sells or transfers title to the Property, rents or leases the Property, refinances the Property, or if Homeowner no longer lives in the Property as his/her principal residence, all of the deferred payment loan will be due and payable to the City. However, in the event the Homeowner sells the Property, and the net proceeds after repayment of the first mortgage and the costs of sale of the Property are less than the amount of City's loan, the amount due shall be reduced to the amount available.

_____ Housing rehabilitation work will provide general rehabilitation necessary to bring the structure into compliance with the City's applicable building codes; the City's adopted property standards (if applicable); the City's housing rehabilitation program standards; and applicable lead-based paint (LBP) regulations (24 CFR 92.251 & 92.355). Rehabilitation work to be completed will only be as specified in the approved written work specification for the Property and fully executed and approved change orders. All codes, standards, and regulations noted are incorporated herein by reference.

_____ The maximum after-rehab value of Property must not exceed the current 203(b) FHA Mortgage Limits for a single unit structure in the Los Angeles Metropolitan Statistical Area.

The estimated after-rehab value is: \$ _____

The 203(b) Mortgage limit is: \$ _____ as of (Insert Date)

Estimated Start Date: _____

Estimated Completion Date: _____

_____ After the notice to proceed is issued by the City, the Homeowner has a three (3) day Right of Rescission Period. If Homeowner does not exercise their Right of Rescission, the Contractor has ten (10) calendar days to begin work;

_____ Upon completion of rehabilitation work, the Contractor shall furnish warranties as fully described in Section XV of the Housing Rehabilitation Program Policies (incorporated herein by reference).

2. DISBURSEMENT OF FUND

_____ Funds will be disbursed on a reimbursement basis and only.

_____ During the course of the work if any partial or in-progress payments are made, the Contractor shall furnish fully executed and dated lien releases/waivers for the specified amount(s) paid to himself/herself AND from all subcontractors receiving proceeds from such partial or in-progress payments.

_____ Upon completion of the rehabilitation work, final inspections, and a qualified building official inspection, the Contractor will submit a written invoice for the amount of the contract, plus change orders, less ten percent (10%) retainage.

_____ Upon completion of rehabilitation work, the Contractor shall furnish fully executed and dated lien releases/waivers for the specified amount(s) paid to himself/herself AND from all subcontractors receiving proceeds from the final payment/draw.

_____ Retainage funds will be held for twenty (20) days. After twenty (20) days, the Contractor will submit a written invoice for the final payment accompanied by the required *Bill Paid Affidavit* and a fully executed *Release of Lien* for his/her ten percent (10%) retainage. Upon approval by the City and the Homeowner the final ten percent (10%), payment will be made to the Contractor.

3. ROLES AND RESPONSIBILITIES

_____ Roles and responsibilities of the Homeowner include, but are not limited to: Submission of true and accurate financial and other eligibility documentation; selection of the contractor; review and execution of the work write-up, contract, and associated documents; and accommodating the schedules of the Contractor and the City to facilitate timely completion of rehabilitation work and inspections.

_____ Roles and responsibilities of the Contractor include, but are not limited to: Communicating with Homeowner and the City regarding status of the work during the construction period; notifying the City, in writing, including a justification delineating and supporting the need for any change orders (including itemized cost information); completing any items identified on the final inspection prior to *execution of the Certificate of Completion*; and *providing and adhering to warranty agreements in a timely manner*.

_____ Roles and responsibilities of the City, include, but are not limited to: Ensuring payment to Contractor as set forth in the rehabilitation contract; communicating with the Homeowner and Contractor regarding all administrative procedures that affect completion of rehabilitation work;

advising the Homeowner regarding city property standards, building code requirements, local property standards and housing rehabilitation standards which may affect the prioritization of work items; and documenting project files in compliance with all applicable HUD regulations.

_____ Roles and responsibilities of the City, the Homeowner, and the Contractor are more specifically outlined in the City's HOME Policies and Procedures, incorporated herein by reference.

_____ Homeowner has responsibility to select the contractor to complete the rehabilitation work from any eligible bid, as long as the price quoted is within a range of no more than ten percent (10%) below or ten percent (10%) above the cost estimate of scope of rehabilitation work prepared by the City. Eligible bids may be obtained from a list of City pre-approved contractors or other contractor selected by Owner. The selected Contractor and his/her subsequently selected subcontractors must not be debarred or suspended from the Housing Rehabilitation Program, federally funded programs, or state funded programs; must carry the required insurance; submit or have submitted a completed Contractor Information Form to the City and a statement of non-use of lead-based paint; pass a criminal background check; and all other program requirements of the PROGRAMS as outlined in the program policy, incorporated herein by reference.

4. PROPERTY STANDARDS

_____ All rehabilitation work will be completed in compliance with the Housing Rehabilitation Program's locally written and adopted property standards and all applicable written local building and property codes and standards.

_____ Housing rehabilitation assistance will only be provided to cover the cost of rehabilitation necessary to bring the property in compliance with locally adopted, written building and property standards, Rehabilitation Program standards and, applicable Federal and State building and property standards.

5. WRITTEN AGREEMENT PROVISIONS

_____ Homeowner will enter into a written agreement with the Homeowner-selected, qualified Contractor for the completion of rehabilitation work. The written agreement shall include the scope of work, the cost of the work to be completed, and the time frame during which the scope of work must be completed, all of which have been reviewed and approved by Homeowner, City, and Contractor at the preconstruction conference. Said written agreement, work specifications, and any subsequent change orders are incorporated herein by reference.

_____ Except for the purpose of affording protection against any emergency endangering life or property, no modification of the written agreement shall be made except by written instrument, signed by the Contractor, approved by Homeowner, and accepted and dated in writing by City. Change orders may be authorized for necessary work items that were initially overlooked or which could not be determined until the course of the rehabilitation or reconstruction work had already

begun. Change orders must be requested prior to commencement of the proposed changed work in order for such costs to be reimbursable.

_____ Homeowners or Contractors with concerns about the administration or operation of the Housing Rehabilitation Program should communicate these concerns to the City. If concerns cannot be negotiated or resolved successfully between the parties, they may file an appeal with the ("INSERT APPROPRIATE LOCAL AUTHORITY").

_____ Homeowner agrees to abide by the HOME regulations as set forth in 24 CFR Part 92 which is incorporated as a part of this agreement by reference. A copy of the regulation in its entirety can be accessed at: <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf>.

By signing below, Homeowner and Contractor acknowledge receipt of this document and understanding of its contents.

_____ Homeowner	_____ Date
_____ Homeowner	_____ Date
_____ Contractor	_____ Date
_____ Director of Planning and Community Development	_____ Date

CONFLICT-OF-INTEREST

The City of Huntington Park will comply with the following conflict of-interest provisions:

1. 2 CFR Part 200
2. Provisions not covered by 2 CFR Part 200, set forth in the HOME regulations. Additionally, the HOME regulations include conflict of interest provisions for nonprofit, for-profit owners/developers/sponsors and CHDOs.
3. no employee, officer, agent of the city shall participate in the selection, award or administration of a contract supported by HOME if a conflict-of interest, either real or apparent, would be involved;
4. City employees, officers and agents do not accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements; and
5. Enforce provisions for penalties, sanctions, or other disciplinary actions for violations of standards.

6. no person who exercises or has exercised any functions or responsibilities with respect to HOME activities or who is able to participate in decisions or gain inside information:

- May obtain a financial interest or benefit from a HOME activity; or the City of Huntington Park HOME Program Operations;
- Have an interest in any contract, subcontract, or agreement for themselves or for persons with business or family ties.

NOTE: This requirement applies to covered persons during their tenure and for one year after leaving the Recipient entity.

7. Include the conflict-of-interest provision in written agreements and other documents with owners, developers, and sponsors.
8. Monitoring of projects will include necessary actions to ensure that the conflict of interest provision is adhered to.

HOME Provisions for Nonprofit and For-Profit Owners, Developers, CHDOs, and Sponsors

The City of Huntington Park will comply with the HOME Final Rule that includes a conflict-of-interest provision applicable to for-profit and nonprofit owners, developers, and sponsors of HOME-assisted housing. This provision states that

1. No owner, developer, or sponsor of HOME-assisted housing, including their officers, employees, agents, consultants, or elected or appointed officials, may occupy a HOME-assisted unit in a development.

NOTE: This provision **does not** apply to:

- a. An individual receiving HOME funds to acquire or rehabilitate his/her principal residence, or,
- b. An individual living in a HOME-assisted rental housing development where he/she is a project manager or a maintenance worker in that development.

Exceptions: Exceptions to this conflict-of-interest provision (governing owners, developer, and sponsors of HOME-assisted housing) may be granted by the City after obtaining a waiver from HUD on a case-by-case basis based on the following factors as set forth in the regulations:

- Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of assisted housing, and the exception will permit him or her to receive generally the same interests or benefits as are being made available or provided to the group as a whole;

- Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;
- Whether the tenant protection requirements of CFR 92.253 (prohibited lease terms, termination of tenancy and tenant selection) are being observed;
- Whether the affirmative marketing requirements are being observed and followed; and

Any other factor relevant to the City's determination, including the timing of the requested exception.

RELIGIOUS ORGANIZATIONS

HOME funds *may* be provided to primarily religious organizations for any activity, excluding inherently religious activities.

HOME INVESTMENT TRUST FUND ACCOUNT

The HOME Investment Trust Fund Account is the account established by the U.S. Treasury and managed through HUD's Integrated Disbursement and Information System for the Program.

1. Establishment

The Secretary shall establish for each participating jurisdiction a HOME Investment Trust Fund, which shall be an account (or accounts as provided in section 12749(c) of this title) for use solely to invest in affordable housing within the participating jurisdiction's boundaries or within the boundaries of contiguous jurisdictions in joint projects which serve residents from both jurisdictions in accordance with the provisions of this part.

2. Line of credit

The Secretary shall establish a line of credit in the HOME Investment Trust Fund of each participating jurisdiction, which line of credit shall include:

- funds allocated or reallocated to the participating jurisdiction under section 12747 of this title, and
- any payment or repayment made pursuant to section 12749 of this title.

3. Reductions

A participating jurisdiction's line of credit shall be reduced by:

- funds drawn from the HOME Investment Trust Fund by the participating jurisdiction,
- funds expiring under subsection (g) of this section, and

- any penalties assessed by the Secretary under section 12754 of this title.

4. Certification

A participating jurisdiction may draw funds from its HOME Investment Trust Fund, but not to exceed the remaining line of credit, only after providing certification that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in compliance with all requirements of this subchapter. When such certification is received, the Secretary shall immediately disburse such funds in accordance with the form of the assistance determined by the participating jurisdiction.

5. Investment within 15 days

The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

6. No interest or fees

The Secretary shall not charge any interest or levy any other fee with regard to funds in a HOME Investment Trust Fund.

7. Expiration of right to draw funds

If any funds becoming available to a participating jurisdiction under this subchapter are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 12747(d) of this title.

8. Administrative Provision

The Secretary shall keep each participating jurisdiction informed of the status of its HOME Investment Trust Fund, including the status of amounts under various stages of commitment.

- a) **In general** Any repayment of funds drawn from a jurisdiction's HOME Investment Trust Fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's HOME Investment Trust Fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 12747(d) of this title.

- b) **Assurance of repayment** Each participating jurisdiction shall enter into an agreement with the Secretary ensuring that funds invested in affordable housing under this part are repayable when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the HOME Investment Trust Fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 12747(d) of this title.
- c) **Availability** The Secretary shall take such actions as are necessary to ensure that any repayments deposited in a HOME Investment Trust Fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this part that apply to funds that are allocated under section 12747 of this title. Actions authorized under the preceding sentence may include authorizing the establishment for a participating jurisdiction of a HOME Investment Trust Fund account outside of the Federal Government that, under arrangements satisfactory to the Secretary, shall be used solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subchapter. Such accounts shall be established in such a manner that repayments are not receipts or collections of the Federal Government.

HOME PROGRAM INCOME

Program income is defined as any revenue received by the City directly generated from the use of HOME funds or matching contributions. Program income includes, but is not limited to:

1. Proceeds from the sale or long-term lease of real property acquired, rehabilitated or constructed with HOME funds or matching contributions;
2. Income from the use or rental of real property owned by a Recipient that was acquired, rehabilitated or constructed with HOME funds or matching contributions, minus the costs incidental to generating that income;
3. Payments of principal and interest on loans made with HOME or matching funds, and proceeds from the sale of loans or obligations secured by loans made with HOME or matching contributions;
4. Interest on program income; and
5. Any other interest or return on the investment of HOME and matching funds.

Note: The City of Huntington Park requires that all program income is returned to the City.

PRE-AWARD COSTS

With the publication of the Final Rule, the City may incur eligible costs prior to the effective date of its annual HOME Investment Partnership Agreement, subject to certain conditions:

1. Both administrative/planning and project costs may be incurred. Only costs eligible under the HOME Program rules in effect at the time the costs are incurred are included.
2. Expenditures must meet all regulatory requirements, including environmental review regulations.

HOME PROGRAM DRAWS

HOME funds are available on a reimbursement basis only based on documentation of incurring the expense and payment of the expense.

PROCEDURE

1. The City of Huntington Park will reimburse funds based upon information submitted by the Recipient. Any expenditures occurring after the effective date of the contractual agreement between the City of Huntington Park and the Recipient are eligible for reimbursement.
2. Expenditures must be consistent with the approved budget as stated in the contractual agreement between the City of Huntington Park and the Recipient. Only eligible expenses will be reimbursed.
3. Payments will be adjusted by the City in accordance with program income balances available in sub-recipient accounts, if applicable.
4. In order to ensure accurate billing and fund management sub-recipients should keep track of the following information for activities funded:
 - a. Funds budgeted.
 - b. Funds received in City of Huntington Park .
 - c. Reimbursements to-date.
 - d. Funds obligated in the most recent period and to-date.
 - e. Funds expended in the most recent period and to-date.
 - f. Cash on hand (including program income identified as such), *if applicable*.
 - g. Previous reimbursements requested but not yet received, *if applicable*.

5. All requests for final reimbursements must be submitted to the Planning and Community Department Division within 15 days after the last date of the contract.

To request reimbursement:

- a. The "Reimbursement Request" form must be completed and signed by either the Planning or Planning and Community Development Director or another authorized personnel.
- b. Provide original invoices for all expenditures to be reimbursed.
- c. Payment receipts, copies of checks, and/or all documentation proving that payment has been made prior to requesting reimbursement.
- d. For salary reimbursement, time sheets must include total time worked and a breakdown of funding sources covering the salary and benefits associated.

All reimbursements will be made within thirty (30) days of receipt of the request if proper documentation has been submitted. Please be advised that the City of Huntington Park will not provide reimbursements if quarterly reports have not been submitted within the time limits stated in the contractual agreement between the City of Huntington Park and the Recipient.

PART 2: FINANCIAL MANAGEMENT

INTERNAL CONTROLS

The City of Huntington Park internal controls include a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization's financial system and safeguard its cash, property, and other assets. The City's internal controls make sure that:

1. Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies,
2. Resources are protected against waste, mismanagement, or loss, and
3. Reliable information on source, amount, and use of resources are secured up-to-date, and recorded.

Additionally, internal controls will ensure that no one individual has authority of an entire financial transaction.

Specifically, that the City has a separation of power for the following three responsibilities:

1. Authorization to execute a transaction,
2. Recording of the transaction, and
3. Custody of assets involved in the transaction. This type of separation of responsibilities will create a system of checks and balances for grant and general organization expenditures.
4. The City will periodically reconcile its financial records to actual assets and liabilities which will safeguard resources as well as detect instances of fraud or misuse.

RECORD KEEPING 24 CFR 92.508

OVERVIEW

The HOME Program has recordkeeping and reporting requirements to document that HOME funds are used appropriately and that HOME Program objectives are being met. Under the HOME Program regulations, the City of Huntington Park is required to meet certain record-keeping and reporting requirements that are designed to:

- a. Ensure consistency with HOME program requirements;
- b. Clarify the record retention periods; and
- c. Include new records that exercise any of the three new options allowed in the Final Rule (i.e., multi-family refinancing, presumption of affordability for homebuyer assistance, and locally established 95 percent of area median purchase price limits).

PROCEDURE

1. The City of Huntington Park will maintain records that include:
 - Program records;
 - Project records;
 - CHDO records;
 - Financial records;
 - Program administration records; and
 - Records concerning other Federal requirements.
2. **Maintain PROGRAM RECORDS that include:**
 - Written agreement with the City of Huntington Park and documentation of compliance with the written agreement;
 - A copy of the application originally submitted to the City of Huntington Park;
 - Forms of assistance used;
 - Procedures for establishing 95 percent of median values.
3. **Maintain Project Records that include:**
 - Location (with a map),
 - Form of assistance,

- Number and identification of units or tenants associated with HOME.
- Source and application of funds;
- Compliance with maximum per-unit subsidy limits and subsidy layering guidelines;
- Compliance with property standards and lead-based paint requirements;
- Compliance with income-eligibility requirements;
- For rental projects, compliance with income targeting, affordability and lease requirements;
- If multi-family or single-family refinancing is provided, compliance with established guidelines and/or requirements;
- If multi-family new construction, results of the site and neighborhood standards review conducted;
- For homeownership projects, compliance with maximum property value and affordability requirements; and
- If pre-award costs, compliance with applicable requirements.

4. Maintain CHDO records that include:

- Written agreement with the City of Huntington Park ;
- Documentation of qualification as a CHDO, including
- Documentation of nonprofit status;
- Current board list that identifies low-income representation;
- Documentation of low-income community input (e.g. minutes from community meeting);
- Documentation of organizational capacity (e.g. resumes of staff members);
- Documentation of uses of CHDO set-aside funds, including funds for capacity-building (if applicable); and
- Current project descriptions.

5. Maintain Financial Records that include.

- Source and application of funds;
- Treasury and local HOME accounts;
- Source and application of program income, repayments and recaptured funds; and
- Budget control measures, including periodic account reconciliations.

6. Maintain Program Administration Records that include:

- Compliance with written agreements;
- Compliance with applicable uniform administrative requirements; and
- Inspections, monitoring reviews and audits, and resolution of any findings or concerns.

7. Maintain Documentation Records that include:

- Equal opportunity and fair housing;
 - Affirmative marketing and minority/women's business outreach;
 - Environmental review;
 - Acquisition, relocation, displacement, and replacement of housing;
 - Labor standards;
 - Lead-based paint;
 - Conflict-of-interest; and
 - Debarment and suspension.
8. **RETAIN RECORDS:** According to 24 CFR 92.508 c, all records pertaining to HOME must be retained for a period is five (5) years including:
- a. **Housing Rehabilitation:**
 - General records must be kept for five years after project completion.
 - b. **Rental:** For rental housing records:
 - General records must be kept for five years after project completion; and
 - Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period ends.
 - c. **Homeownership:** Homeownership records must be kept for:
 - Five years after project completion; and
 - For resale/recapture records, five years after the affordability period ends.
 - d. **Written agreements:** Generally, all written agreements must be maintained for five years after the agreement ends.
 - e. **Displacement and acquisition:** Displacement and acquisition records must be kept for five years after final payment to displaced.
9. **ACCESS TO RECORDS**
- Provide citizens and other interested parties with reasonable access to records. Access will be consistent with applicable state and local laws regarding privacy and obligations of confidentiality.
 - Provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to the City's Consolidated Plan and the use of assistance under Programs covered by the Consolidated Plan.
 - Provide access to HUD and the Comptroller General of the United States, or any of their representatives, to any records for auditing, excerpt, or transcript purposes.

REPORTING REQUIREMENT

OVERVIEW

HOME Program regulations require the City of Huntington Park to submit an annual report, called the Consolidated Annual Performance and Evaluation Report (CAPER), to HUD within

90 days of the close of City's program year. This is in accordance with the Consolidated Plan regulations at 24 CFR Part 91. The CAPER incorporates not only HOME Program information, but also the reporting requirements for the Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Shelter Grants (ESG) programs.

1. The City of Huntington Park HOME Program is required to meet certain reporting requirements, which are outlined below, to support the City in meeting its annual HOME Program reporting requirements.
2. The CAPER must include:
 - A summary of resources and programmatic accomplishments; and
 - The status of actions taken during the year to implement the overall strategy, which includes a self-evaluation of progress during the past year in addressing priority needs and specific objectives.

PROCEDURE

1. The Insert job title will complete a Semi-Annual Status Report as well as Project Set Up and Completion Reports for all projects.
2. The Insert job title will complete a Semi-annual Status Report for all open projects. This report will include, at a minimum, the following sections:
 - Narrative. A narrative section outlining project milestones achieved;
 - Funding. A funding status update including all draws; and
 - Issues/Concerns. The report should outline any issues or concerns that may require the assistance.
3. The Insert job title will complete a Project Setup and Completion Form with request for retainage payment. The forms used differ by activity (Homeowner Rehab, Rental, and/or Homebuyer).
4. The Insert job title will enter the data into the IDIS system and report completed projects to HUD.

MONITORING

OVERVIEW

To meet reporting requirements, the City must monitor its HOME Program activities for compliance and document the results.

PROCEDURE

The Insert job title will maintain and implement the following:

1. Maintain monitoring reports in each project file.
2. Monitor the HOME Program based on the individual activity.

- a. Owner Occupied Projects (Homeowner Rehabilitation and Homebuyer (if applicable): the City will monitor owner occupied projects for principal residency throughout the affordability period.
- b. Rental Projects(if applicable): the City will monitor rental projects for the following factors:
 - Occupancy (income requirements);
 - HOME Rents; and
 - Property standards (units must meet HQS.)

HOME PROGRAM RISK ANALYSIS, MONITORING PROCESS, AND PLAN

The Risk Analysis and Monitoring Process

It is the policy of the City of Huntington Park HOME Program to monitor all HOME-projects for risk analysis, program compliance, and long-term sustainability. The City's Monitoring plan will address three HOME components:

1. The structures and infrastructures financed with HOME funds;
2. The actual beneficiaries of HOME program expenditures; and
3. The actual documentation that describes the actions and intentions of program participants (whether subrecipient, developer, or contractor).

PROCEDURE

The City's Monitoring Procedure will include the review of three general areas:

1. Administrative and Financial Monitoring
 - This monitoring will address program compliance and cross-cutting requirements;
2. Program Monitoring
 - This monitoring will address overall HOME program performance;
3. Project Monitoring
 - This monitoring will address specific HOME project compliance.

The goal of the City's monitoring process is to conduct a risk analysis to determine which program areas and specific HOME-funded projects should receive intensive monitoring each year. While attention will be paid to "higher risk" projects, the HOME Program will, at a minimum, conduct a "desk monitoring review" of all funded HOME projects on an annual basis.

To the greatest degree possible, the City's monitoring checklists will incorporate the questions and concerns outlined in the CPD Monitoring Handbook 6509.2, Rev-6, Chapter, 7 Program exhibits on the following page:

CPD MONITORING HANDBOOK 6509.2, REV 6, CHAPTER 7

Exhibit 7 - 1	HOME Participating Jurisdiction Pre-Monitoring Information Sheet
Exhibit 7 - 2	Guide for Review of Overall Management Systems
Exhibit 7- 3	Guide for Review of Homeowner Rehabilitation Projects
Exhibit 7-4	Guide for Review of Homeowner Rehabilitation Programs
Exhibit 7 - 5	Guide for Review of Homebuyer Projects
Exhibit 7 - 6	Guide for Review of Homebuyer Programs
Exhibit 7 -7	Guide for Review of Rental Projects
Exhibit 7 - 8	Guide for Review of Rental Programs
Exhibit 7 - 9	Guide for Review of Tenant-Based Rental Assistance (TBRA) Projects
Exhibit 7 - 10	Guide for Review of Tenant-Based Rental Assistance (TBRA) Programs
Exhibit 7 - 11	Guide for Review of Community Housing Development Organization (CHDO) Qualifications and Activities
Exhibit 7 - 12	Guide for Review of Community Housing and Development Organization (CHDO) Procedures
Exhibit 7 - 13	Guide for Review of Match Requirements
Exhibit 7 - 14	Guide for Review of Beneficiary Written Agreements
Exhibit 7 - 15	Guide for Review of Contractor Written Agreements
Exhibit 7 - 16	Guide for Review of Owner, Developer, Sponsor Written Agreements
Exhibit 7 - 17	Guide for Review of State Recipient Written Agreements
Exhibit 7 - 18	Guide for Review of Subrecipient Written Agreements
Exhibit 7 - 19	Guide for Review of Subrecipient Management
Exhibit 7 - 20	Guide for Review of Financial Management
Exhibit 7 - 21	Guide for Review of Cost Allowability
Exhibit 7 - 22	Guide for Review of Procurement
Exhibit 7 - 23	Guide for Review of Equipment and Equipment Disposition

PROCEDURE

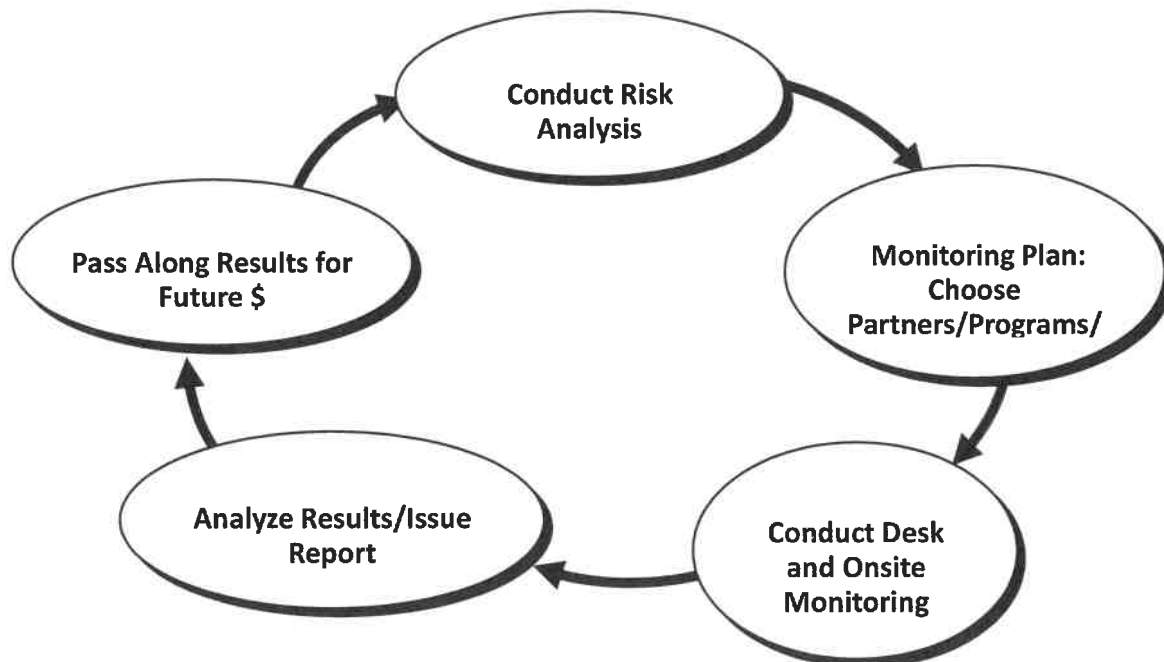
Note: While the City of Huntington Park does not operate all HOME program activities, they are listed here in the possibility that the City of Huntington Park may decide to operate such in the future.

A. Timing of HOME Monitoring

It is the policy of City of Huntington Park to conduct HOME monitoring as an ongoing process. The City will conduct on-going monitoring in three phases:

1. Initial review, analysis, and feasibility of project eligibility during threshold reviews

2. Monitoring during project development , implementation and operation
3. Monitoring for long-term sustainability and project completion
4. The on-going monitoring process is outlined in the following graphic:



B. At a minimum, the objectives of the City’s HOME Monitoring process will include the following:

1. Identify and track HOME program and project results;
2. Identify technical assistance needs for HOME, Subrecipient, developer and contractor staff;
3. Ensuring timely and appropriate expenditures of HOME funds;
4. Documenting compliance with all HOME and federal cross-cutting requirements;
5. Guaranteeing that federal funds are spent on eligible, allowable, and allocable costs; and
6. Making programmatic changes as necessary to safeguard the HOME program for the future.

It is the policy of City of Huntington Park to guarantee that all HOME program participants, whether Subrecipients, developers, contractors, or other HOME-funded entities, will comply with all HOME monitoring policies and objectives.

C. Risk Assessment Process

The City of Huntington Park 's monitoring process is based on risk analysis that attempts to quantify certain factors that can diminish the productivity and compliance of a funded HOME activity. To determine the relative risk of a specific HOME funded activity, the City of Huntington Park will use the following HOME Risk factors to help determine those HOME projects and activities that receive both immediate monitoring preference (including on-site visit, greater than normal staff attention) and possible program interventions.

D. HOME Risk Assessment Criteria, City of Huntington Park

The City of Huntington Park has adopted the following criteria to be used in determining the relative risk of a HOME project or activity is found on the following page.

EXHIBIT 13 HOME PROJECT RISK ASSESSMENT			
Risk Factor	Type of Risk Factor	Risk Criteria	Comments
Project complexity	Type of Program	Homeowner Rehab	
		Rental	
		CHDO-set aside	
		Other (Specify)	
	Number of units	How many?	
	Number of beneficiaries	How many?	
	Multi-year project	Yes or No?	
	Multi-financed project	HOME only?	
		# of lenders:	
Capacity of Subrecipient or Developer	Project staff turnover	Last year?	
	Past staff HOME experience	List projects	
	Projects completed	Number	
	Current awards	\$	
	Project Completion	Est. date	
	Meeting all timelines	Yes or No?	
	Spending timeliness	Yes or No?	
	Changes in organization	Within last year?	
Project Capacity	Amount of contract	\$	
	Duration of contract	# days:	
	Development Team findings	Outstanding findings?	
Documentation	Timely Reports	Any outstanding?	
	Audit submissions	Always timely?	
		Any audit findings?	
	Project documentation	Documents missing?	
	Regulatory compliance	Outstanding issues?	

	Regulatory Knowledge	Yes or no?	
Other Concerns	Outstanding issues	Yes or no?	
	Beneficiary complaints	Yes or no?	
	General comments	Yes or no?	

E. Monitoring Schedule and Strategy

Based on the risk analysis factors outlined above, the City will conduct HOME monitoring in the following manner:

1. Desk Reviews are conducted throughout the program year as reimbursement requests are submitted and quarterly when status reports are submitted. Desk reviews will include an analysis of all submitted reports, IDIS reports, draw requests and invoices and the risk factors outlined below. When desk reviews trigger “high risk” projects, the City will schedule on-site monitoring. A desk review should pay particular attention to the HOME application and executed HOME written agreement.
2. On-site Monitoring will involve a site visit to the project to conduct an on-site document review and a physical assessment of any structural expenditure paid for with HOME funds at commencement of construction, completion of project, or when warranted by risk assessment. The on-site monitoring process will include the following steps and sample formats for letters of notification may be found in Exhibit 1:
3. Pre-site Visit Preparation is prepared by the HOME staff for the on-site visit by reviewing the following in-house information:
 - a. HOME funding application
 - b. HOME written agreement
 - c. HOME progress reports
 - d. Draw requests and supporting documentation.
 - e. IDIS reports
 - f. Any HOME project correspondence
 - g. Any previous monitoring reports
 - h. The most recently submitted financial audits
4. Pre-Visit Letter prepared by the HOME staff to the project staff outlining the date, agenda, information to be available, staff to be accessible, and any specific areas that the staff plans to monitor on-site.
5. **Monitoring Checklist** will be provided by the HOME staff will provide the appropriate project monitoring checklists from Exhibit 16, which will be utilized during the site visit. As necessary, HOME staff will use exhibits from the CPD Monitoring Handbook, Exhibit 7, HOME Program.

6. Conducting the Monitoring Visit

At a minimum, the on-site monitoring visit will consist of the following steps:

- Entrance conference: to reiterate the purpose and goals of the visit
- On-site data documentation and research
- Visits with staff and beneficiaries
- Exit conference: to present preliminary conclusions and “next steps.”

7. Post-site Visit Follow-up

Within two weeks of the exit interview, the HOME monitor will follow-up with the monitoring visit with a follow-up letter that outlines:

- a. Projects monitored.
- b. Monitoring staff who conducted the visit
- c. Date(s) of the monitoring visit
- d. List of documents reviewed.
- e. List of individuals interviewed.
- f. Any conclusions reached from the visit.
- g. Strengths and weaknesses of the project
- h. Any specific areas of non-compliance or findings
- i. Suggested corrective actions to “cure” any findings.

8. Corrective Actions (if necessary)

The HOME Monitor will establish a date specific for a response to the monitoring letter, for all corrective actions to be completed, and for the City to respond to the corrective actions.

9. Subsequent Follow-up

The City reserves the right to revisit the project to determine compliance and when corrective actions are not undertaken, to use all remedies outlined in the HOME written agreement and HUD rules and regulations to enforce compliance.

In the final analysis, the results of City HOME monitoring will be a factor in determining funding in future year’s HOME competition for funding.

EXHIBIT 14 – SAMPLE MONITORING VISIT LETTERS

NOTICE TO SUBRECIPIENT OR DEVELOPER OF COMPLIANCE REVIEW

(Date)

John Doe

35 Street Road

Huntington Park, CA

Dear Mr./Ms. Doe:

Subject: Compliance Review HOME Program

We are planning to conduct a compliance review of your HOME project. This review will cover all aspects of your project administration and operations.

The review will take place on _____, _____, 20____, at _____ a.m. The review will be conducted by _____, our HOME analysts.

It would be appreciated if you and members of your staff could give _____ whatever assistance is required to conduct the review. Should timing or scheduling pose a problem, however, _____ can be contacted by calling _____

Sincerely,

Ernesto Hidalgo

HOME Administrator

cc: Michael Huntley

Planning and Community Development Director

City of Huntington Park

SAMPLE COMPLIANCE REVIEW

(Date)

John Doe

35 Street Road

Huntington Park, CA

Dear Mr./Ms. Doe:

Subject: Compliance Review HOME Program

Reference is made to our letter of _____, in which we requested your assistance in our review of compliance under your HOME program. As a result of our review, we have noted the following items which we feel should be brought to your attention. These items are based on our review of _____ projects.

- a. Projected Analysis
- b. Major Findings

Our review of _____ projects has revealed the following major problems:

- *designated corrective action*

Should you have any questions concerning our review, please contact _____,
_____ at (_____).

Sincerely,

Ernesto Hidalgo
HOME Administrator
cc: Michael Huntley
Planning and Community Development Director
City of Huntington Park

EXHIBIT 15- MONITORING CHECKLISTS

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
1. Design program, establish goals and objectives, establish eligibility criteria, and identify tasks to be accomplished.			
2. Establishment of program files including:			
a. Contract file			
b. Equal opportunity file			
c. Applicant file			
d. Service recipient file (clients)			
e. Financial file (audit, HOME funds by year, ESPR's etc.) Files for other funding sources, expenditures.			
f. Quarterly Status Report files			
g. Correspondence file			
h. City Information Memo to Subrecipients (CIMS) file			
i. Monitoring file			
3. Solicitation for clients			
4. Program delivery			

5. Have the types of assistance/services to be provided been identified?			
6. Has a target area been established?			
7. Is there a standardized applicant selection process?			
8. Does the organization maintain records on recipients to include data on ethnicity, female head of household?			
9. Have applicant eligibility criteria been established using HUD income levels? Other criteria?			
10. Does the organization require a certification of income eligibility?			
11. Other:			
RECORDS CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
1. Payroll:			
a. Are payroll records maintained?			
b. Are signed time and attendance records maintained?			
c. Are there time distribution records by program?			
d. Are employee payroll deductions reflected?			
2. Are leases maintained?			
a. Are lease agreements maintained?			
3. Reports to the City: Expenditure Summary and Payment Requests (ESPR's) and Quarterly Status Reports (QSR's)			
a. Are reports on time?			
b. Are reports complete?			
c. Are reports accurate?			
4. Are there records on beneficiary income verification?			

5. Are there records on minority, sex, handicapped status of beneficiaries?			
6. Are there records/reports of progress against goals?			
7. Is there a procurement policy on file?			
8. Is the most recent audit on file?			
a. Are there any outstanding findings?			
9. Are contracts with contractors maintained?			
10. Are there supporting documents with ESPR's?			
11. Other:			
ACQUISITION/RELOCATION CHECKLIST (FOR HOME, ADDI AND/OR HOME PROJECTS)			
Questions to be asked/answered:	Yes/No/Not Applicable/Not Reviewed	Information Source	Comments (Attached)
1.Are there separate files for each parcel acquired?			
2.Is there a real estate acquisition policy?			
3.Are there contracts with independent appraisers?			
4.Are there contracts with independent negotiators?			
5.Does the appraisal include:			
a. Description of subject parcel?			
b. Description of comparable parcels?			
c. Description of comparable parcels?			
d. Description of appraisal methods?			
e. Definition of "Fair Market Value"?			
f. Description of appraiser's qualifications?			
g. Evidence of property owner involvement?			
h. Date of valuation?			
i. Conflict of interest statement?			
j. Opinion of fair market value?			
6. Have the following steps been taken?			
a. Identify site.			

b. Site Inspection and environmental approval.			
c. Preliminary notice of intent to purchase / preliminary title report.			
d. Ordering of appraisal.			
e. Obtaining a review appraisal.			
f. Establishment of just compensation.			
g. Delivery of either "Notice not to purchase" or "Purchase offer" (cities only).			
h. Open escrow.			
i. Close escrow.			
j. Close file			
7. Are the following dates on record:			
a. Date of official determination to acquire?			
b. Date of notice of intent to acquire?			
c. Date of initial negotiations?			
d. Date owner accepted offer?			
e. Date of final firm contract?			
f. If condemnation, date condemnation proceedings began?			
g. If condemnation, date just compensation deposited with court?			
h. Date title vested in public agency?			
i. Date of 90 day notice to vacate?			
8. Is there evidence of compliance with the real property acquisition policy act of 1970?			
a. a. Is there a listing of all persons occupying the property at each of the following time periods: (1) initial submission of application for assistance and (2) the date applicant obtains site control;			
b. b. Is there documentation in the file for tenants that will not be displaced but			

elect to relocate permanently to support the reason for their decision?			
c. c. For displaced persons, is there a separate case file for each person including documentation as required in Section 6-3 of HUD Handbook 1378?			
d. d. For tenants being temporarily displaced does communication specify they are able to return to the same or comparable unit?			
CITIZEN PARTICIPATION CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is there a record of public notice of availability of RFP and/or funds?			
Are there minutes of citizens' planning meetings?			
Is there a direct mailing list for RFPs and announcements?			
Is there documentation for the offer of technical assistance to citizen groups?			
Is there documentation for the type/date of technical assistance to citizen groups?			
Were display ads posted?			
Is there a record of the location of display ads posted?			
If a large number of non-English speaking people were involved, was an interpreter provided?			
Are written complaints and grievances responded to in writing within 15 days?			
How are documents made available for citizen review?			
Is there a record of persons attending meetings and hearings?			
Are copies of any material prepared for citizens maintained on file?			

Is there evidence of efforts to secure minority, female or low-income participation?			
Are copies of citizen complaints/comments maintained?			
Is there a citizen participation timetable?			
Was a display ad published? If yes, did it contain; • Notice of availability of HOME funding? • Information on the public hearing process? • Encouragement of citizen input?			
CONSTRUCTION/PUBLIC IMPROVEMENTS CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Comments (Attached)	
<u>Architectural and/or Engineering (A/E)</u> A/E solicitation • RFP, solicitation letter or notice • Statement of required qualifications • Ensure professional's eligibility			
Are the following documents on file: • Selection criteria document and/or selection procedure • Acceptable review of proposals/qualifications			
Contract provisions • General administrative provisions • Scope of services • Method of compensation • Federal compliance standards provisions			
A/E Documents • Executed A/E contract • Verification of Qualifications • Records of payments and supporting documentation • Contract amendments, if any • - Correspondence			
<u>Bid Document and Bid procedural documents</u> Copy of bid document on file?			

Bid document contents: • Technical bid specifications • Copy of applicable Federal Wage Determination Schedule • Section 3 requirements and form		
Procedural documents on file • Copy of Invitation to bid (or advertisement) on file? • Letter of Bid Opening • Letter of Award or Notice to Proceed		
<u>Pre-Construction Conference:</u> • Was a pre-construction conference held? Date? • Attendance list (sign-in sheet)? • Minutes of the pre-construction conference?		
<u>Construction Contract:</u> Is there an executed contract in the file (with signed certifications)?		
Contract contents • Specification documents (could be Bid Package) • HUD 4010 "Federal Labor Standards Provisions" • Applicable DOL Federal Wage Determination Schedule (or reference)		
Contract contents (continued) • Records retention clause • Contract termination clause • Cost information • Timetable including payment schedule • Bonds (Performance, Labor/Materials, etc.) • Insurance • Change order policy		
Prime Contractor Documents Are the following Prime Contractor items on file?		

• Prime Contractor's eligibility (verification) • Contractor's authorization form on file for payroll signature? • Certification of Understanding and Authorization" for • unauthorized persons to sign payrolls. • Applicable Federal Wage Decisions (if any) Form HUD-4230A • "Report of Additional Classification and Rate" (if any) • Certification for Applicable Fringe Benefit Payments for non- • State/Federal deductions" ("Other", if any) signed by • employee • Section 3 Reports		
Payroll Documents: • Form WH-347 "Certified Payrolls" on file • Form WH-348 "Statement of Compliance" (signed) • Are the payrolls numbered? • Is there evidence of staff review and initials?		
Do the payrolls include: • Name • Address (required on first payroll only) • Social Security Number (required on first payroll only) • Correct classification • Hourly rates of wages paid • Daily and weekly number of hours worked • Deductions made • Actual wages paid		
Is there a correspondence file containing wage dispute information, violations, and wage restitution?		
Apprentices		

Are all apprentices' part of a registered apprentice/trainee program verified by documentation?		
Do the apprentice/trainee ratios and wage rates comply with programs?		
Employee interviews • Were employee interviews conducted? • Are Form HUD-11 "Employee Interview" on file? • Are forms complete? • Were sufficient employee interviews conducted? (One per sub contractor; 10% of classification, etc., which are representative of trades and workers.)		
Job site inspections • Are there records of job site inspections for required signage, i.e., EEO posters, wage determination, etc? • Pictures of job site verifying signage and posters?		
Project Documents: Change Orders: • Are copies of all change orders on file? • Are change order approval letters on file (or evidence of approval)?		
Construction management documents: • Payment records? • Proof of payment (copies of checks, etc.)? • Milestone records? • Notice of completion?		
Project Completion documents: • Final Inspection and Acceptance • Completion of Compliance Files • Close-out Procedures (if any) • Completion Letter to HUD		
ENVIRONMENTAL CHECKLIST		

Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is the project in compliance with federal labor standards provisions?			
Have environmental reviews been cleared?			
Has the City and HUD issued formal approval to proceed?			
Is there evidence of compliance with CEQA?			
Is the project consistent with Citywide environmental goals?			
Has the project been reviewed for: • Categorical exclusion? • Applicability of prior environmental reviews?			
Does the environmental review process include: • Assessment of project environmental effects? • Assessment of cumulative impacts? • Assessment of mitigations? • Implementation decisions? • Follow-up monitoring and inspection?			
• Does the file contain: ○ A notice of release of funds? ○ A request for release of funds and certification? • State and local environmental analysis and reports?			
Is there evidence of compliance with NEPA?			
FINANCIAL/ACCOUNTING CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Does the organization operate on a basis of: • Cash • Accrual			

Does the organization maintain: • A double entry accounting system? • A general ledger?- • A cash receipts journal? • A cash disbursements journal? • A payroll ledger?			
In the cash journal, is the following included: • Date? • Receipt number: • Cash debit columns? • Income credit columns?			
Do income credit columns (above) identify: • Organization/city payments? • Contributions? • Other income? • Description?			
In cash disbursements journal, is the following included: • Date? • Check number? • Cash (credit) column? • Expense account name? • Description?			
Does the General Ledger include: • Assets? • Liabilities? • Fund balances? • Expenditures? • Revenues?			
Does the Payroll Ledger include: • Name? • Position? • Social Security Number? • Payment records, including: Accrual period? Gross pay? Itemized deductions? Check number?			

Does Petty Cash include:			
• Record of disbursements?			
• Supporting receipts?			
Are checks filed numerically?			
Are invoices filed by date?			
Are invoices filed by vendor name?			
Are vouchers filed numerically?			
Are timecards filed by date?			
Are timecards filed alphabetically?			
Are purchase orders on file?			
Are ESPRs on file?			
Are encumbrances/obligations recorded against HOME funds?			
Do the following seem reasonable and necessary:			
• Salaries and related costs?			
• Administrative services?			
• Contracts?			
• Travel expenditures?			
• Other administrative costs?			
Is there program income?			
If program income, is there evidence of:			
• Revenue accounts?			
• Revenue procedures?			
Is program income in accordance with contract?			
Are any and all advances maintained in interest-bearing accounts?			
Do financial records allow for the following kinds of disclosure of financial results:			
• Current?			
• Accurate?			
• Complete?			
Is there effective control over funds?			
Is there effective accountability for funds?			
Are costs exceeding the budget?			
What procedures are used to allow changes to the original budget?			

How effective are the financial management systems?			
Is there fiscal integrity of all financial transactions?			
Is there a procedure to ensure the timely and appropriate response to and resolution of audit findings?			
Is there analysis of and explanation for cost overruns?			
Is there analysis of and explanation for high unit costs?			
Is there a need for change in the budget estimates?			
FOR PROJECT ACCOUNTS ONLY: • Are separate account numbers maintained for each project activity? • Can project costs be broken out on a line item basis? • Can budget line items be compared against incurred cost?			
Are there regular financial status reports?			
Are there appropriate controls for accountability?			
Is there an approved budget for the project?			
Is there reconciliation of financial data and quarterly status reports?			
Is there program income?			
Is there evidence of internal monitoring?			
Is source documentation collected prior to any disbursements?			
Are independent audits conducted?			
PROCUREMENT CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Is there an established method for procurement?			
Does the procurement method include:			

• Small purchases? • Competitive sealed bids? • Competitive negotiation?			
Are there bonding and insurance requirements listed?			
Is there a procedure to encourage contracting with: • Section 3 businesses • Small businesses? • Minority-owned businesses? • Women-owned businesses? • - Labor surplus area businesses?			
Is there evidence of affirmative action?			
Have written standards of conduct been established? If yes, has disciplinary action been defined?			
Is there a procedure to avoid conflict of interest?			
Is there a procedure for ensuring no unnecessary or duplicative purchase?			
Is there a clear and accurate description of the technical requirements in all procurement documents?			
In procuring, is there consideration of: • Contractor integrity? • Past performance? • Financial and technical resources? • Price and/or cost analysis? • - System for contract administration?			
Are there established requirements for professional services?			
Is maximized competition encouraged?			
Are there complete files on all procurements?			
PROJECT MANAGEMENT CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)

Has the project schedule been identified?			
Is there appropriate separation of HOME and non-HOME records?			
Is there a procedure for procurement?			
Is there a procedure for contracting?			
Is there maintenance of client files?			
Is the project manager sufficiently involved in the day-to-day operations of the project?			
Is the project in compliance with the following aspects of the contract: • Operating budget? • Scope of service? • Intended beneficiaries • Method of payment? • Performance schedule? • Use of program income?			
Is there any evidence of conflict of interest?			
Have procedures for relocation been developed?			
Have milestones been established?			
Does the organization have insurance coverage?			
Is there a sufficient number of people on staff?			
Does the organization track the project's physical progress?			
Is the organization aware of civil rights requirements?			
Does the organization attend subgrantee meetings?			
What is the organization's capacity to continue to use HOME funds?			
Is there a listing of officers and directors on file?			
Is there a proof of the organization's legal authority?			
Does the organization have a policy on the disposition of HOME-funded property?			
Do the conditions of employment seem adequate?			

Is there compliance with and knowledge of:			
• Environmental requirements? • Historic preservation? • Hatch Act? • National Flood Insurance Program? • Clean Air Act? • Federal Water Pollution Control Act? • - Lead-based Paint Poisoning Prevention Act?			
Is there any evidence for potential delays or adverse conditions?			
What favorable events have occurred throughout this project?			
Is the project manager sufficiently familiar with HUD's basic requirements?			
Are records kept for a minimum of three years?			
Is there evidence of lobbying with HOME funds?			
REHABILITATION CHECKLIST			
Questions to be asked/answered:	Yes/No/Not Applicable/ Not Reviewed	Information Source	Comments (Attached)
Rehabilitation Program Administration			
Is the program design and administration adequate?			
Has a contracting process been established?			
Is there a reasonable relationship between workload and staffing? (e.g., 25 cases per person)			
Is there a lump sum agreement in effect?			
Is there a plan for minimizing displacement?			
• Is this: • A grant program? • A direct loan program? • A leveraged loan program?			
Are the following tracking system documents maintained:			
• Property inspection? • Loan processing status?			

• Approved projects? • Construction status? • Record of cases?			
Are the procedures and documentation for ensuring low/mod benefit adequate?			
Is there a clear record of administrative costs?			
Is there compliance with and knowledge of: • Environmental requirements? • Historic preservation? • National Flood Insurance Program? • Lead-based Paint Poisoning Prevention Act?			
Have the following steps been taken: 1) Establishment of goals and objectives? 2) Program design/procedural requirements established: • Eligibility criteria (property, applicant, types of improvements) • Maximum grant/loan amount • Contracting requirements 3) Management organization and staffing? 4) Solicitation for clients/preliminary screening of applicants? 5) Work write-ups, cost estimates and selection of recipients? 6) Rehabilitation contracting?			
Do the individual rehabilitation case files include the following: • Case activity log? • Applicant data sheet? • Title/deed? • Income verification? • Property description? • Occupancy data? • Tenure? • Work write-up? • Executed contracts? • Change orders? • Inspection reports?			

• Payment requests? • Certificate of completion? • Liens and/or waivers?			
Is the following material on file: • Contract package for rehabilitation projects? • Notice of acceptance of work? • Release of lien forms? • Evidence of historic preservation data on each property rehabilitated? • - Evidence of flood control insurance for each property rehabilitated?			
Code Enforcement Program Checklist			
Is there a Code Enforcement program that coordinates with the Housing Rehabilitation Program?			
How are code enforcement cases identified?			
How are the cases recorded? Categories?			
How are closed cases recorded and reported for HOME?			
What is the staffing for the Code Enforcement Program?			
Does the City have a Code Enforcement program for non-HOME eligible areas? How is it kept separate?			

INTEGRATED DISBURSEMENT AND INFORMATION SYSTEM (IDIS)

The City of Huntington Park is required by HUD to use the IDIS system to accomplish two key objectives:

1. To manage and account for disbursements of HOME funds; and
2. To collect, consolidate and report information regarding HOME Program performance.

The City of Huntington Park will implement the following general IDIS procedures:

1. Complete all HOME Program Set-up forms to ensure that all HOME Program requirements have been met, no work shall begin until all documentation has been executed and a Notice to Proceed is issued by the City of Huntington Park.
2. Disburse HOME Program funds only when all of the following conditions have been met:
 - Required environmental review process has been satisfactorily completed.

- Project closing documents are finalized.
 - The City has approved the timing of HOME Program fund disbursements (e.g., how the funds will be disbursed: at the beginning of the project or on a prorated basis, or as final funds are disbursed); and
 - Disburse funds according to the payment details including timeline for reimbursement outlined in the project closing documents, specifically the HOME Written Agreement.
 - Retainage will be released thirty (30) days after the final inspection is approved and upon the City's receipt of pay request and all completion documentation.
3. If any HOME Program funded project has an available balance after development completion and release of retainage, City of Huntington Park will de-obligate those funds and reallocate such balance of HOME Program funds to other eligible activities according to City of Huntington Park adopted HOME Program allocation process.

CHAPTER 11: OTHER FEDERAL REQUIREMENTS

The Federal requirements addressed in this chapter are non-discrimination and equal access, employment and contracting, environmental requirements, lead-based paint, and relocation.

While the HOME Program has its own regulations, there are additional cross-cutting federal requirements that must be identified and complied with at the appropriate point in project management.

- a. Exhibit 16 presents guidance on the impact of these additional requirements on the HOME project; and
- b. Exhibit 17 describes how the City may demonstrate compliance with applicable requirements.

EXHIBIT 16: Managing A Project Subject To Other Federal Requirements

Requirement	Impact on the Project
Environmental review of activities	A City cannot commit funds to a project until the appropriate level of environmental review is completed and a Release of Funds is received.
Section 3	Construction contracts of \$200,000 or more must include language regarding best efforts to include businesses and low-income residents in the project area. This applies to the hiring of additional workers and training them, and using project-area suppliers for materials. The City of Huntington Park may set specific goals based

	on additional requirements set by HUD that may impact how quickly the project can get under construction.
Women/Minority Business Enterprise	All competitive bidding must include Women and Minority Businesses, including sub-contracts. The City must ensure that these firms have a fair opportunity to participate and current lists of W/MBE firms must be maintained.
Contractor selection	The City must check the website at www.epls.gov to determine if a contractor has been suspended or disbarred before awarding HOME funds to any firm. All building projects in excess of \$100,000 must be designed by a state-licensed architect and all infrastructure projects in excess of \$25,000 must be designed by a state licensed engineer.
Procurement	The City's procurement policies specify bidding requirements for construction, including competitive and formal bidding..
Conflict of interest	The City need be fully aware of parties involved in a contract and seek legal counsel if there is the potential for real or perceived COI.
Equal Employment Opportunity	The City must ensure that all construction contracts over \$10,000 (including sub-contracts) have language prohibiting employment discrimination based on race, color, religion, sex, or national origin.
Lead Safe Housing Requirements (rehab of pre-1978 units)	When there is HOME assistance involving pre-1978 properties, the City must have qualified staff (or hire them for the project) to notify occupants of the hazards of LBP and take the appropriate approach for various activities; qualified staff must be involved in inspections and clearance actions and report preparation.
Cost reasonableness	The City must have qualified cost estimators available to assist in bid preparation and contract awards, as well as reviewing payment requests.
Americans with Disabilities Act (ADA)	The City must make an internal review of its programs and communications to ensure they are accessible to and usable by persons with disabilities. This may include working with advocacy groups to achieve compliance.
Fair Housing requirements	The City must determine if there are under-served populations who are eligible for HOME assistance, and if they are non-English speaking or have literacy challenges, the agency may work with advocacy groups to translate or otherwise reach these households.
Affirmative Marketing	The City must develop and adopt an Affirmative Marketing Plan and ensure that owners of properties with five or more HOME units are aware of the policy and follow it.

Section 504	The City must ensure that specifications for new construction of multifamily dwellings meet the design and construction standards of the Fair Housing Act to make units accessible and the requirements were included in contracts for substantial rehabilitation of buildings with 15 or more units when rehab exceeds 75% of replacement costs. In other projects, the Recipient should work with the developer/owner to make units adaptable and/or accessible as is financially feasible.
Energy conservation	The City must become familiar with the International Energy Conservation Code and include its requirements in all contracts for residential new construction.
Labor requirements, including Davis-Bacon	Before beginning construction or rehab of projects with 12 or more HOME assisted units, the City must obtain the prevailing wages for various building trades must be obtained from the Department of Labor (DOL); someone must be designated to monitor work on site and payrolls; report as required by D-B and related acts.
Uniform Relocation Act and Section 104(d)	The City is responsible for ensuring that tenants in properties that may be acquired or rehabilitated receive correct and timely notices and protections; owners of units to be acquired through a Homebuyer assistance program must receive the "Notice to Owner" for voluntary acquisitions, and tenant living in units purchased with HOME funds are protected by the URA. If units are demolished or converted with HOME funds, 104(d) may be triggered and appropriate notices and assistance must be provided. Since no one can be forced to move (displaced) without at least 30 days notice, a project may not meet a developer's schedule.

EXHIBIT 17: Documenting Compliance with Other Federal Requirements

Requirement	Documentation
Environmental review of activities	Files demonstrate appropriate level of review, notification, requests for release of funds, publications, and dates for commitments and covered activities were not begun until funds were released.
Section 3	To the greatest extent feasible, efforts were made to include businesses and low-income residents in the project area in construction contracts for workers and suppliers; training programs,

	as appropriate were developed and used to provide opportunities for construction employment.
Women/Minority Business Enterprise	Files demonstrate that the City followed its policies for reaching out and including MBE/WBE firms in contracts and invitations for bidding work.
Contractor selection	File supports selection of contractor(s) who were not on the list of suspended or de-barred contractors
Procurement	There is evidence of free and open competition for funds and contracts according to the City of Huntington Park policies and program requirements that apply.
Conflict of interest	There is no evidence of preferential treatment for developers, beneficiaries, contractors, or suppliers due to relationships to those in decision-making positions.
Equal Employment Opportunity	Language prohibiting employment discrimination based on race, color, religion, sex, or national origin is included in all construction contracts over \$10,000.
Lead Safe Housing Requirements (rehab of pre-1978 units)	Appropriate notices and approaches are used for various activities; qualified staff is involved in inspections and clearance actions; reports demonstrate a knowledge of rules and compliance.
Cost reasonableness	Cost estimates are prepared prior to bids by knowledgeable persons; bidding and payments are within estimates or documented if they deviated; payment requests are supported by bills, invoices or other documentation.
Americans with Disabilities Act (ADA)	Programs were accessible to and usable by persons with disabilities, including removing communications barriers.
Fair Housing requirements	Files support outreach to all classes; programs were available to all persons and efforts were made to overcome barriers to participation
Affirmative Marketing	Files demonstrate that projects with five or more HOME-assisted units were affirmatively marketed by following policies, and records document actions taken.
Section 504	Specifications for new construction of multi-family dwellings met the design and construction standards of the Fair Housing Act to

	make units accessible and requirements were included in contracts for substantial rehabilitation of building with 15 or more units when rehab exceeded 75% of replacement costs. When this threshold was not triggered, to the extent financially feasible, units were made adaptable or accessible.
Energy conservation	Drawings and specifications for newly-constructed units must reference the requirements of the International Energy Conservation Code. Structures rated by a certified rater for Energy Star qualifications.
Labor requirements, including Davis-Bacon	For rehabilitation or new construction of projects with 12 or more HOME assisted units, the prevailing wage must be obtained from the Department of Labor (DOL) and paid for each of the trades; payments must be monitored on site and reported. Wage determination applicable to each project must be included as part of the contract documents.
Uniform Relocation Act and Section 104(d)	For properties with tenants in occupancy, correct and timely notices and protections were provided and are on file.

NON-DISCRIMINATION AND EQUAL ACCESS

No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds.

The City will take the following measures to ensure non-discriminatory treatment, outreach, and access to program resources. This applies to employment and contracting, as well as to marketing and selection of program participants.

1. Fair Housing and Equal Opportunity

The City of Huntington Park will comply with all of the following Federal laws, executive orders and regulations pertaining to fair housing and equal opportunity as summarized below.

1. Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.): States that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance on the basis of race, color, or national origin. The regulations implementing the Title VI Civil Rights Act provisions for HUD programs may be found in 24 CFR Part 1.

2. The Fair Housing Act (42 U.S.C. 3601-3620): Prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, handicap or familial status. Furthermore, section 104(b)(2) of the Act requires that each grantee certify to the secretary of HUD that it is affirmatively furthering fair housing. The certification specifically requires grantees to conduct a fair housing analysis, develop a fair housing plan, take appropriate actions to overcome the effects of any impediments identified, and maintain records on the analysis, plan, and actions in this regard. Fair Housing Act implementing regulations for HUD programs may be found in 24 CFR Part 100-115.
3. Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259): Prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds. Equal Opportunity in Housing regulations may be found in 24 CFR Part 107.
4. Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101): Prohibits age discrimination in programs receiving Federal financial assistance. Age Discrimination Act regulations may be found in 24 CFR Part 146.

2. Affirmative Marketing

In the event that the City of Huntington Park implement a housing program using funds with five or more HOME-assisted units, the City will adopted an affirmative marketing plan that that includes procedures and requirements including:

1. Methods for informing the public, owners and potential tenants about fair housing laws and the City's policies (for example: use of the Fair Housing logo, or equal opportunity language);
2. A description of what owners and/or the City will do to affirmatively market housing assisted with HOME funds;
3. A description of what owners and/or the City will do to inform persons not likely to apply For housing without special outreach
4. Maintenance of record to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness, and
5. A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

3. Handicapped Accessibility

The City will adhere to the HOME regulations governing the accessibility of Federally-assisted buildings, facilities, and programs.

Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225): Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable, and able to be carried out without much difficulty or expense.

Fair Housing Act: Multi-family dwellings must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-19).

Section 504: Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in Federally assisted programs based on handicap. Section 504 imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive Federal funds. Under Section 504, recipients and subrecipients are defined more broadly than under the HOME program. Section 504 recipients and subrecipients include any entity that receives Federal funding (for example, a subrecipient, or CHDO). The specific requirements under Section 504 are summarized in Exhibit 19 below.

EXHIBIT 18 : Section 504 Requirements

Removal of Physical Barriers

- For new construction of multi-family projects, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent of the units (but not less than one unit) must be accessible to individuals with sensory impairments.
- The Section 504 definition of substantial rehabilitation multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost.
- In such developments, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (but not less than one unit) must be accessible to individuals with sensory impairments.
- When rehabilitation less extensive than substantial rehabilitation is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5 percent of the units are accessible to people with mobility impairments.

Alterations to common spaces must, to the maximum extent feasible, make the project accessible.

- Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites, and must be available in a sufficient range of sizes and amenities so as to not limit choice.
- Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.
- When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.
- The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances

PROVIDE PROGRAM ACCESSIBILITY

- Individuals with handicaps must be able to find out about, apply for, and participate in Federally assisted programs or activities.
- Special communication systems may be needed for outreach and ongoing communication.
- (e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings).
- Policies and procedures must be non-discriminatory (e.g., housing providers may not ask people with handicaps questions not asked of all applicants, screen individuals with handicaps differently or assess an individual's ability to live independently).

MAKE EMPLOYMENT ACCESSIBLE

- Employers must not discriminate.
- Employers must remove physical and administrative barriers to employment.
- Employers must make reasonable accommodations for individuals with known handicaps
- (e.g., job restructuring, providing readers or sign interpreters, making facilities accessible).

ADMINISTRATIVE REQUIREMENTS

- If recipients or subrecipients have 15 or more employees, they must: designate a Section 504 Coordinator, and notify program participants and employees of non-discrimination policies.
- All recipients and subrecipients must conduct self-evaluations of compliance with Section 504.

For any recipient or subrecipient principally involved in housing or social services, all of the activities of the agency -- not just those directly receiving Federal assistance -- are covered under Section 504.

Contractors and vendors are subject to Section 504 requirements only in the work they do on behalf of a recipient or subrecipient.

The ultimate beneficiary of the Federal assistance is not subject to Section 504 requirements. Under Section 504, recipients and subrecipients are not required to take actions that create undue financial and administrative burdens or alter the fundamental nature of the program.

EMPLOYMENT AND CONTRACTOR

The cross-cutting Federal regulations discussed below govern employment and contracting opportunities, including equal opportunity, labor requirements and contracting/procurement procedures.

Equal Opportunity

The City of Huntington Park has established an "Affirmative Fair Housing Marketing Plan" to ensure that the allocated HOME Funds promote fair housing and ensures outreach to all potentially eligible households, especially those least likely to apply for assistance.

The City's policy is to provide information and attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status (persons with children under 18 years of age, including pregnant women), or disability.

The procedures followed are intended to further the objectives of the Equal Employment Opportunity, Executive Order 11246, as amended and Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Note: Provisions to effectuate this prohibition must be included in all construction contracts exceeding \$10,000. Implementing regulations may be found at 41 CFR Part 60

PROCEDURE

Currently, the City of Huntington Park is not administering a program containing five or more HOME assisted units. However, in the future it will abide by the HOME Final Rule regarding affirmative marketing procedures and requirements apply to rental and homebuyer projects containing five or more HOME-assisted units.

Should the City decide to implement such program it will commit to the goals of affirmative marketing that will be implemented through the following procedures:

1. Providing equal service without regard to race, color, religion, sex, handicap, familial status, or national origin of any client, customer, or resident of any community;
2. Keeping informed about fair housing laws and practices;
3. Informing clients and customers about their rights and responsibilities under the fair housing laws by providing verbal and written information;
4. Evaluating the effectiveness and compliance of all marketing as it relates to fair housing;
5. Including the Equal Opportunity logo or slogan, and where applicable the accessibility logotype, in all ads, brochures, and written communications to owners and potential tenants;



6. Displaying the HUD's fair housing posters (at a minimum, English and Spanish versions) in rental offices or other appropriate locations;
7. Soliciting applications for vacant units from persons in the housing market who are least likely to apply for assistance without the benefit of special outreach efforts; working with the local public housing authority and other service and housing agencies to distribute information to a wide and diversified population;
8. Maintaining documentation of all marketing efforts (such as copies of newspaper ads, memos of phone calls, copies of letters).
9. Maintaining a record of applicants for vacant units with a general profile of the applicant, how the applicant learned of the vacancy, the outcome of the application, and if rejected, why; maintaining this record for two years or through one compliance audit, whichever is the shorter period of time.

ASSESSMENT

In conjunction with the annual on-site compliance reviews, the City of Huntington Park will:

1. Review and evaluate records of affirmative marketing efforts (advertisements, flyers, and electronic media spots, etc.);
2. Evaluate outcomes and effectiveness of marketing efforts and make changes where needed.
3. Evaluate whether good faith efforts have attracted a diversified cross-section of the eligible population.

CORRECTIVE ACTIONS

Failure to meet affirmative marketing requirements will result in the following corrective actions:

1. For failure to comply, the City of Huntington Park will set a probationary period for compliance, not to exceed six months, during which time the City will provide more specific guidelines for compliance.
2. Further failure to comply with the affirmative marketing requirements may result in the withdrawal of HOME support.
3. Further failure to take appropriate actions to correct discrepancies in affirmative marketing programs may result in steps to recover all invested HOME funds.

SECTION 3

Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. In addition, to the greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns that are located in or owned by persons residing in the program service area.

Several resources are available at www.hud.gov/offices/fheo/section3/section3.cfm, including:

1. The Section 3 Regulations: 24 CFR 135;
2. A sample Section 3 Plan; and
3. The Section 3 Summary Report (HUD Form 60002).

Guidance on compliance and recordkeeping for Section 3 is available at

<http://www.hud.gov/offices/cpd/communitydevelopment/toolkit/files/MBEWBEOutreach>.

Minority/Women's Business Enterprise

Under Executive Orders 11625, 12432 and 12138, the City of Huntington Park must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts (See 2 CFR Part 200).

PROCEDURE

1. The City of Huntington Park will commit to support the participation of Huntington Park Minority/Women's Business Enterprises (M/WBE) by establishing a goal to procure contracted goods and services from Huntington Park MBE/WBEs.

Minimum acceptable outreach standards are specified by HUD and are available at:

<http://www.hud.gov/offices/cpd/communitydevelopment/toolkit/files/MBEWBEOutreach>.

Davis Bacon Labor Requirements

The City of Huntington Park will comply with regulations on wage and labor standards. In the case of Davis-Bacon and the Contract Work Hours and Safety Standards Acts, every contract for the construction of housing (rehabilitation or new) that contains 12 or more units assisted with HOME funds triggers the requirements.

Davis-Bacon and Related Acts (40 USC 276(A)-7)

The Davis-Bacon and Related Acts ensures that mechanics and laborers employed in construction work under Federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. This act also provides for the withholding of

funds to ensure compliance, and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.

PROCEDURE

1. The City of Huntington Park requires that any contract for the construction of Affordable Housing with 12 or more units will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract
2. Work Hours and Safety Standards Act.
3. The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations which pertain to labor standards, including the minimum wage law.

Title I of Housing and Community Development Act of 1974:

The City of Huntington Park **will not:**

1. Discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion; and
2. discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and
3. provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services

Additional information regarding Executive Orders is available by:

- 11625 - Prescribing additional arrangements for developing and coordinating a national program for minority business enterprise,
- 12432 - Minority business enterprise development, and
- 12138 - National Women's Business Enterprise Policy and National Program for
- Women's Business Enterprise.
- http://www.archives.gov/federal_register/codification/executive_order/11625.html
- http://www.archives.gov/federal_register/codification/executive_order/12432.html

➤ <http://www.usdoj.gov/crt/cor/byagency/sbaeo12138.htm>

Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333)

This ACT provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.

Copeland (Anti-Kickback) Act (40 USC 276c)

The Copeland Anti-Kickback Act governs the deductions from paychecks that are allowable. Additionally it makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he or she is entitled, and requires all contractors to submit weekly payrolls and statements of compliance.

Fair Labor Standards Act of 1938, As Amended (29 USC 201, et. seq.)

The Fair Labor Standards Act establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work, and establishes child labor standards.

Additional guidance on the Application of Federal Labor Standards to HOME Projects is provided in the Labor Relations Letters (Letter No. LR-96-02, October 21, 1996) located at <http://nhl.gov/offices/adm/hudclips/letters/lr96-02.txt>.

SITE AND NEIGHBORHOOD STANDARD

Housing provided through the HOME Program must promote greater choice of housing opportunities. Specific rules are as follows:

1. HOME-provided housing must be suitable from the standpoint of facilitating and furthering full compliance with the Title VI of the Civil Rights Act - 1964, the Fair Housing Act and Executive Order 11063.
2. The Final Rule requires only new construction rental projects to meet site and neighborhood standards from 24 CFR 983.6(b), which places limiting conditions on building in areas of "minority concentration" and that are "racially mixed."

PROCEDURE

1. The City of Huntington Park uses project information provided by owners/developers/sponsors/CHDOs to complete the Site and Neighborhood Standards Review form and document compliance with the Site and Neighborhood requirements.

2. The City reserves the right to request additional clarification and materials from owners/developers/sponsors for adequate documentation of compliance.

LEAD-BASED PAINT SAFE HOUSING RULE (24 CFR part 35, subpart J)

On September 15, 1999, HUD issued a new Federal lead-based paint regulation implementing Title X of the Housing and Community Development Act of 1992. This regulation makes many important changes in the lead-based paint requirements applicable to housing funded through HUD's Community Planning and Development (CPD) programs.

The Lead Safe Housing Rule regulations that apply to rehabilitation activities are found at 24 CFR part 35, subpart J. The rehabilitation regulations distinguish among four approaches depending on the size of the rehabilitation effort. Understanding each approach and how to determine the level of rehabilitation assistance is the first step in deciding what lead safe housing requirements apply to a rehabilitation project. The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead. The regulation is divided into subparts that apply to the HOME program include:

1. Subpart A: Disclosure
2. Subpart B: General Requirements and Definitions
3. Subpart J: Rehabilitation
4. Subpart K: Acquisition, Leasing, Support Services, and Operations
5. Subpart M: Tenant-Based Rental Assistance
6. Subpart R: Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction

On April 22, 2008, the EPA issued the Renovation, Repair, and Painting Rule (RRP) a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination. Until that time, HUD and EPA recommend that anyone performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child care facilities and schools follow lead-safe work practices.

There are some differences between the EPA RRP Rule and the HUD Lead Safe Housing Rule. A major difference is that the LSHR requires clearance examinations. All housing receiving federal assistance must still comply with the LSHR.

All contractors should follow these three simple procedures:

1. Contain the work area.
2. Minimize dust.
3. Clean up thoroughly.

From December 2008, the rule has required that contractors performing renovation, repair and painting projects that disturb lead-based paint provide to owners and occupants of child care facilities and to parents and guardians of children under age six that attend child care facilities built prior to 1978 the lead hazard information pamphlet **Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools** (PDF) | **en español** (PDF).

Starting on April 22, 2010, the rule will affect paid renovators who work in pre-1978 housing and child-occupied facilities, including:

- Renovation contractors
- Maintenance workers in multi-family housing
- Painters and other specialty trades.

Under the rule, child-occupied facilities are defined as residential, public, or commercial buildings where children under age six are present on a regular basis. The requirements apply to renovation, repair, or painting activities. The rule does not apply to minor maintenance or repair activities where less than six square feet of lead-based paint is disturbed in a room or where less than 20 square feet of lead-based paint is disturbed on the exterior. Window replacement is not minor maintenance or repair.

For additional guidance, refer to: EPA's **Lead Renovation, Repair, and Painting Program Rule**.

Additional information on becoming an EPA-certified renovator or training provider is available on **EPA's Renovator and Trainer Tool Box site**.

HUD defines four approaches to address lead-based paint in HOME funded Projects. The Exhibit 18 on the following page details each approach.

GLOSSARY OF HOME TERMS

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the PJ's annual application for HOME funds.

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).

Annual Income: The HOME Program allows the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as Defined for reporting on IRS Form 1040.

Applicant(s): A person or persons who appear on the title to the property and that apply for a loan under the PROGRAMS. All persons appearing on the title must agree to apply and execute all documents required.

Borrower: A person or persons who appear on the title to the property, signs the Written Agreement with the City and signs the loan documents with the City, thereby becoming legally responsible for any repayment of the PROGRAMS loan.

Building and Safety Code: The City's residential codes and ordinances pertaining to housing construction, land use, occupancy and maintenance of existing residential properties which are applicable to the property through Code Enforcement action.

Building Inspector: The City employee(s) responsible for inspection(s) of structural, electrical, plumbing, improvements; The inspector assures compliance of work to applicable Building and Safety Codes.

Building Division: The Department of the City responsible for issuance of building permits.

Building Permit: An authorization by the Building Division to commence building repairs or improvements on a specific property; Permits must be issued for most home improvements, including, but not limited to, roofing, electrical, plumbing, structural changes, and foundations. A fee is charged for permits and inspections are included in the permit cost.

California Preliminary Notice: A notice sent to the owner of the dwelling unit by any person or supplier providing labor, services, equipment, or materials for the rehabilitation work. The notice is

sent in the event that the primary contractor is listing, as security, the property being rehabilitated with the person or supplier sending notice

Commitment: Commitment means one of three things: (1) The PJ has executed a legally binding agreement with a State recipient, subrecipient, or contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or (2) has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) has met requirements to commit to a specific local project as defined below.

Commitment to a specific local project: Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements: (1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. If the project is owned by the PJ, the project must be set up in the disbursement and information system and construction reasonably expected to start within 12 months of the set-up date. (2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the PJ is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date. (4) If the project consists of TBRA, the PJ must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

Contractor: An eligible contractor is a general contractor licensed in compliance with Federal, State, and City regulations to do the necessary housing rehabilitation work. No contractor may be utilized who has been disbarred or suspended by order of the City, State or Federal Government. The City permits contractors to apply to the City for eligibility determination at any time.

Deed of Trust: The legal document which secures the loan with the property that is being rehabilitated. The Deed of Trust is for the same amount as the loan and must be signed by the borrower in the presence of a public notary.

Development: A site or an entire building or two (2) or more buildings, together with the site or sites on which the building are located, that are under common ownership, management and financing and are to be assisted with HOME Program funds-under commitment by the owner-as a single undertaking.

Development Fees: Compensation to the developer for developing the property, includes overhead and profit, consult/processing agent fees, project administration, the value of personal guarantees and a portion of any reserves determined by the housing credit agency to be in excess of industry norms.

Draw-Down: The process of requesting and receiving HOME funds. PJs and authorized state recipients draw down funds from a line of credit established by HUD.

Eligible Improvements: All improvements required to bring the property up to City Codes and the City's Rehabilitation Standard

Equity: The value of a property less the amount of outstanding debt on it.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996 and became effective on October 16, 1996. It was amended on October 22, 1997.

Financing Plan: The proposed financing for a project.

General Partner: A partner who is liable and responsible for completing a project as proposed, managing the partnership and guaranteeing funding required to complete the project. A general partner oversees construction, leasing, and property management; maintains the books and records of the partnership; and submits periodic reports to the limited partners on the project's financial status.

General Partnership: A form of ownership in which all partners participate materially in the partnership's operations and share liability.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: A term that refers to the units within a HOME project for which rent, occupancy, and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the Investment of these funds.

HOME Investment Trust Fund: The term given to the two accounts - one at the Federal level and one at the local level - that "hold" the PJ's HOME funds. The Federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Housing Investment Partnerships Act ("HOME Program"): The act that created a formula-based allocation program intended to support state and local affordable housing programs. The goal of the program is to increase the supply of affordable rental and ownership housing through acquisition, construction, reconstruction, and moderate or rehabilitation activities (Title I, National Affordable Housing Act of 1990).

HUD: U.S. Department of Housing and Urban Development.

Household: A household includes all persons living in the unit at the property at the time of application, except persons who are paid caregivers of elderly or disabled individuals.

Household Income Verification: The process used to determine gross household income, including Applicant submittal of most current income tax returns; employer verification of wages; W-2 Forms; Social Security verification, profit/loss statements, etc.

Inspection Card: Card posted at the site of rehabilitation once building permits are issued. Building Inspector(s) sign off various inspections on Card as job progresses.

Insular Areas: Guam, the Northern Mariana Islands, the United States Virgin Islands and American Samoa.

Interest Subsidy: The amount of subsidy required to reduce the interest rate on a loan to a below-market Rate over the term of the loan.

Jurisdiction: A state or unit of general local government.

Limited Partner: A passive investor in a limited partnership who, in exchange for contributing equity to the project, receives a pro rata share of cash flow and tax benefits and the right to approve the sale or refinancing of the property and removal of the general partner in the event of gross negligence or breach of contract.

Limited Partnership: An ownership vehicle comprising limited and general partners that allows for central management but has no tax liability, instead passing tax benefits through to its limited and general partners.

Loan Disbursement: The principal amount of the loan which is paid out to the Applicant as the rehabilitation work progresses; The disbursement may be in accordance with a contractual agreement between Applicant and contractor. Prior to disbursement, the work accomplished must be in accordance with the scope of work as detailed in the work the work write-up. If inspection by the Building Division is required for the particular rehabilitation item, the inspector must sign off for said work prior to disbursement.

Loan Documents: All forms relevant to the actual execution of the loan, including a Three-Day Right of Recession Notice, Truth-In-Lending Form, Promissory Note, and Deed of Trust.

Low-Income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

Match: Match is the PJ's contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The PJ's match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

New Construction: The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Participating Jurisdiction (PJ): The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program, and has a HUD-approved Consolidated Plan.

Program Income: Gross income received by the PJ, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Project: A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final drawdown has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For TBRA, project completion means the final draw-down has been disbursed for the project.

Promissory Note: A form, part of the loan documents, which is the borrower's agreement to pay back the amount borrowed in accordance with the established terms of the loan. The Promissory Note must be signed by all persons on the Title to the Property.

Property Rehabilitation Standards: A standard established by the City to insure that the housing rehabilitated under PROGRAMS meets or exceeds

Recapture: Repayment of HOME funds to the PJ from a homebuyer project during the period of affordability.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Rehabilitation Specialist: The person who conducts inspections and produces work write-ups and cost estimates.

Rehabilitation Contract: A legally binding, standardized form which spells out, in detail, the entire scope of work, specific quality, brands of materials, and all other data pertinent to the rehabilitation of the property. The Contract must be signed by both Contractor and Applicant.

Rehabilitation Cost: The total cost of repairs and improvements and other costs for rehabilitation to be incurred by the Applicant that may be included in a Loan.

Right of Recession: The borrower's right within a three working day period from the date of loan settlement to rescind the entire loan transaction.

Recipient: Any entity under contract with the City to undertake activities funded by the City's HOME Program.

Restrictive Covenant: A limitation placed on a property, which is recorded and attached to the deed, thereby passing to subsequent owners.

Section 8 Tenant-Based Rental Assistance Program: A federal program that provides rental assistance to low-income families who are unable to afford market rents. Assistance is provided in the form of vouchers.

Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

Soft Costs: Development costs exclusive of the cost of acquisition, site improvements, construction, and contingencies.

Soft Second Mortgage: A loan provided by public and nonprofit lenders at below market interest rates and with flexible repayment terms, using as collateral a second mortgage on the project property, to fill a financial gap for a project serving a public purpose (for instance, affordable housing.)

Subrecipient: A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ's HOME Program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

Substantial Rehabilitation: The cost of a rehabilitation project that costs more than \$25,000.

Surplus Cash (Net Operating Income (NOI)): The operating income derived by the project owner from development cash flow that exceeds 1st mortgage loan payments and the following operating expenses: property management fee, grounds maintenance, accounting services, amounts deposited into a replacement reserve account, legal services, taxes and insurance and utility expenses, each specifically related to the development. Developer fees and depreciation of assets may not be included in calculating expenses.

Syndicates: Individuals or firms who arrange for the sale of ownership shares in a project to raise equity from investors.

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Tenant-Based Rental Assistance (TBRA): A form of direct rental assistance in which the recipient tenant may move from a dwelling unit with a right to continued assistance that includes security and utility deposits associated with the rental of dwelling units.

Total Development Cost (TDC): The sum of all costs for site acquisition, relocation, demolition, construction and equipment, interest and carrying charges.

Truth in Lending Statement: The form included in the loan document package which details all terms of the Loan. Applicant must sign receipt of said form.

Very-Low-Income Families: Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

Work Write-up: A form to be completed by a Construction Manager outlining a complete and suggested scope of work to be performed for the rehabilitation of the property;

Written Agreement: The Written Agreement defines the terms and conditions of the PROGRAMS Loan to the Applicant. The Written Agreement is executed prior to the Applicant engaging a Contractor to complete the defined rehabilitation.

ITEM 6



CITY OF HUNTINGTON PARK

City Clerk's Office
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

**WAIVE FURTHER READING AND ADOPT RESOLUTION RECITING THE FACTS
OF THE CONSOLIDATED MUNICIPAL ELECTION HELD ON MARCH 5, 2024 FOR
ONE UNEXPIRED TERM CITY COUNCIL MEMBER SEAT**

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Adopt a Resolution reciting the facts of the consolidated municipal election held on March 5, 2024, for one unexpired City Council term. Declaring the Results thereof as Provided by Law.

CONCLUSION

Upon City Council approval, staff will proceed with the recommended actions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ricardo Reyes".

RICARDO REYES
City Manager

A handwritten signature in black ink, appearing to read "Eduardo Sarmiento".

EDUARDO SARMIENTO
City Clerk

**WAIVE FURTHER READING AND ADOPT RESOLUTION RECITING THE FACTS
OF THE CONSOLIDATED MUNICIPAL ELECTION HELD ON MARCH 5, 2024 FOR
ONE UNEXPIRED TERM CITY COUNCIL MEMBER SEAT**

June 18, 2024

Page 2 of 2

ATTACHMENT(S)

- A. Los Angeles County Registrar Recorder County Clerk Official Election Canvass for the City of Huntington Park
- B. Resolution certifying the results of the March 5, 2024 election

ATTACHMENT "A"



Los Angeles County Registrar-Recorder/County Clerk

CERTIFICATE OF THE CANVASS OF THE ELECTION RETURNS

I, **DEAN C. LOGAN**, Registrar-Recorder/County Clerk of the County of Los Angeles, of the State of California, DO HEREBY CERTIFY that pursuant to the provisions of Section 15300 et seq. of the California Elections Code, I canvassed the returns of the votes cast for each elective office and/or measure(s) for

Huntington Park City

at the Presidential Primary Election, held on the 5th day of March, 2024.

I FURTHER CERTIFY that the Statement of Votes Cast, to which this certificate is attached, shows the total number of ballots cast in said jurisdiction, and that the whole number of votes cast for each candidate and/or measure(s) in said jurisdiction in each of the respective precincts therein, and the totals of the respective columns and the totals as shown for each candidate and/or measure(s) are full, true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 29th day of March 2024.

DEAN C. LOGAN

DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

HUNTINGTON PARK CITY GENERAL MUNICIPAL ELECTION Member of the City Council (Unexpired term ending June 1, 2024)

FINAL OFFICIAL
STATEMENT OF VOTES CAST
BY PRECINCT

ARTURO FLORES

Location Registration Ballots
Cast

HUNTINGTON PARK - 2850006A 115 98

VOTE BY MAIL SERIAL 0399 286 217

TOTAL 401 315

HUNTINGTON PARK - 2850008A 120 86

VOTE BY MAIL SERIAL 0400 388 288

TOTAL 508 374

HUNTINGTON PARK - 2850011A 119 73

VOTE BY MAIL SERIAL 0401 355 273

TOTAL 474 346

HUNTINGTON PARK - 2850014A 187 137

VOTE BY MAIL SERIAL 0402 443 343

TOTAL 630 480

HUNTINGTON PARK - 2850015B 84 69

VOTE BY MAIL SERIAL 0403 324 257

TOTAL 408 326

HUNTINGTON PARK - 2850017A 125 88

VOTE BY MAIL SERIAL 0404 397 319

TOTAL 522 407

HUNTINGTON PARK - 2850022A 138 80

VOTE BY MAIL SERIAL 0405 369 267

TOTAL 507 347

HUNTINGTON PARK - 2850029A 86 63

VOTE BY MAIL SERIAL 0406 350 262

TOTAL 436 325

BALLOT GROUP 256 - 9990256A^ 0 0

VOTE BY MAIL SERIAL 8256 0 0

TOTAL 0 0

HUNTINGTON PARK CITY GENERAL MUNICIPAL ELECTION Member of the City Council (Unexpired term ending June 1, 2024)

FINAL OFFICIAL
STATEMENT OF VOTES CAST
BY PRECINCT

ACTUO FLORES

Location	Registration	Ballots Cast
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PRECINCT TOTAL	974	694
VBM TOTAL	2,912	2,226
GRAND TOTAL	22,065	2,920

ATTACHMENT "B"

RESOLUTION NO. 2024-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK CALIFORNIA, RECITING THE FACT OF THE CONSOLIDATED GENERAL MUNICIPAL ELECTION FOR ONE UNEXPIRED CITY COUNCIL MEMBER TERMS HELD ON MARCH 5, 2024, DECLARING THE RESULT AS PROVIDED BY LAW

WHEREAS, a Consolidated General Municipal was held and conducted in the City of Huntington Park, California, on Tuesday, March 5, 2024, as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects the election was held and conducted, and the votes were cast, received, and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, the Los Angeles County Registrar-Recorder/County Clerk canvassed the returns of the election and has certified the results to this City Council, the results are received, attached and made a part hereof as "Exhibit A".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the whole number of ballots cast including provisional ballots in the precincts except vote by mail voter ballots and provisional ballots was 694. That the whole number of vote by mail voter ballots cast in the City was 2226, making a total of 2920 ballots cast in the City.

SECTION 2. That the names of persons voted for at the election for Member of the City Council are as follows:

Arturo Flores

SECTION 3. That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates were as listed in Exhibit "A" attached.

SECTION 4. The City Council does declare and determine that: Arturo Flores and was elected as a Member of the City Council for the remainder of the unexpired term of two years left vacant due to the sudden passing of Manuel "Manny" Avila.

SECTION 5. The City Clerk shall in accordance with Elections Code Section 10264, enter on the records of the City Council of the City, a statement of the result of the election, showing: (1) The whole number of votes cast in the City; (2) The name of the person voted for; (3) For what office each person was voted for; (4) The number of votes given at each precinct; (5) The total number of votes given.

SECTION 6. That the City Clerk shall, in accordance with Elections Code Section 10265, immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated, that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each of the persons so elected shall then be inducted into the respective office to which they have been elected.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this resolution, enter it into the book of original resolutions and it shall become effective immediately upon its approval.

PASSED, APPROVED AND ADOPTED this 18th day of June 2024.

Karina Macias,
Mayor

ATTEST:

Eduardo Sarmiento,
City Clerk

Item 7



CITY OF HUNTINGTON PARK

Community Development Department
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL OF FIREWORKS SALES PERMIT APPLICATIONS SUBMITTED BY LOCAL NON-PROFIT ORGANIZATIONS IN THE CITY OF HUNTINGTON PARK

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Approve the Fireworks Sales Permit Application submitted by Praise Chapel in the City of Huntington Park; and
2. Authorize the Community Development Department to process the application and conduct the final inspections of the stands.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Title 4, Chapter 8 of the Huntington Park Municipal Code provides the application process, procedures, and requirements for issuing fireworks sales permits. The chapter also details the safety requirements and operation standards for temporary fireworks stands. This section of the Municipal Code was amended to update requirements to identify the Community Development Department as the lead department for the application process, clarify applicant eligibility, and provide additional safety measures. Lastly, the amendment made the City Council the final approval body for the issuance of firework sales permits.

FACTS AND PROVISIONS

Applicants filed permit applications with the Community Development Department and their applications were processed for City Council review at the June 4, 2024, regularly scheduled City Council Meeting. The following organizations were approved at this meeting:

CONSIDERATION AND APPROVAL OF FIREWORKS SALES PERMIT APPLICATIONS SUBMITTED BY LOCAL NON-PROFIT ORGANIZATIONS IN THE CITY OF HUNTINGTON PARK

June 18, 2024

Page 2 of 3

- Huntington Park Youth Football
- Huntington Park Police Officers Association
- Southeast Churches Services Center
- AYSO Region 526

However, Praise Chapel was not approved at the June 4, 2024 meeting due to council questions about their compliance with all city codes and their "good standing." Pursuant to previous practice, organizations that applied for Fireworks Sales Permit Applications had to maintain a good standing status with the City. Good standing includes possessing a valid and current non-profit status, having no open Code Enforcement cases, and providing any deliverables required by City Departments and/or Divisions. In this case, Praise Chapel does not have a Conditional Use Permit for their church use and must resubmit their project for review with the Planning Division.

The process to select the applications for City Council review included the eligibility review by requiring that permits be filed by local non-profit organizations only.

Additionally, applicants are aware of the increased public safety measures by requiring minimum ages for adults in charge of fireworks stand operations, requiring overnight security of stands, and updating sidewalk setback requirements in order to prevent obstruction of vehicular line of sight. It will also require Building and Safety inspections for the temporary stands.

The City Council is the final approval body for all complete fireworks sale permit applications.

Pursuant to Huntington Park Municipal Code 4-8.02, the sale of fireworks shall be limited to the time period of 12:00 noon on June 26th and ending at 11:59 p.m. July 4th of each calendar year.

Furthermore, Huntington Park Municipal Code 4-8.03 stipulates that complete applications will be presented to City Council at the first meeting in June for consideration.

FISCAL IMPACT

Fireworks sales permits will continue to generate required application fees including building permits, electrical permits, temporary use permits, and city business license fees. In addition, the permit fee for the sale of fireworks shall continue to be one percent of the gross retail sales as reported to the State of California Board of Equalization by the non-profit organization.

**CONSIDERATION AND APPROVAL OF FIREWORKS SALES PERMIT
APPLICATIONS SUBMITTED BY LOCAL NON-PROFIT ORGANIZATIONS IN THE
CITY OF HUNTINGTON PARK**

June 18, 2024

Page 3 of 3

CONCLUSION

Upon Council approval, staff will proceed with recommended actions. The City Council has the final authority to approve, disallow or condition the applicant appropriately.

Respectfully submitted,



RICARDO REYES
City Manager



STEVE FORSTER
Director of Community Development

ATTACHMENT(S)

A. Applications Submitted by Praise Chapel

Attachment "A"



CITY OF HUNTINGTON PARK
Community Development Dept. • Planning Division
6550 Miles Avenue, Huntington Park, CA 90255
Tel. (323) 584-6210 • planning@hpcg.gov

TEMPORARY USE PERMIT APPLICATION

FOR OFFICE USE ONLY

Date Filed: 4/25/2024 File No.: TUP 2024 -08 Fee/Receipt No.: \$307.00 Initials: SM

BUSINESS ADDRESS OR GENERAL LOCATION: 2500 E SLAUSON AVE.

APPLICANT'S INFORMATION

Applicant: PRAISE CHAPEL CHURCH

Mailing Address: [REDACTED]

Phone 1: [REDACTED]

Phone 2: [REDACTED]

Email: Admin@praised chapel

HP.org

PROPERTY OWNER'S INFORMATION

Property Owner: NORM'S RESTAURANTS, LLC MIKE COLONNA

Mailing Address: [REDACTED]

Phone 1: [REDACTED]

Phone 2: [REDACTED]

Email: [REDACTED]

DESCRIPTION OF TEMPORARY USE

1. Describe in detail the type of business activity to be temporarily conducted (include any equipment or product to be used in the commercial activity): FIREWORKS STAND - SAFE N SANE FIREWORKS STATE APPROVED

2. How long do you plan to operate your temporary use? 6/28 - 7/4

NOTE: Two (2) sets of plot plans and/or floor plans showing locations of all event activity, pedestrian and vehicle circulation or parking as necessary must be attached. If the applicant is not the property owner, the owner of the property must sign the application or a written authorization must be submitted so that the applicant may file the application.

CERTIFICATE AND AFFIDAVIT OF APPLICANT: I/We certify that all statements made on this application are true and complete to the best of my knowledge. I/We understand that any false statements may result in denial of the requested permit or revocation of any issued permit. I/We further certify that I am, or have permission by, the property owner to conduct the proposed development applied for herein.

[REDACTED]
Signature of Applicant

4.25.24
Date



CITY OF HUNTINGTON PARK
Community Development Dept. • Planning Division
6550 Miles Avenue, Huntington Park, CA 90255
Tel. (323) 584-6210 • planning@hpca.gov

DEPARTMENTS / AGENCIES REVIEW CHECKLIST

TEMPORARY USE PERMIT APPLICATION

PERMIT NO. TUP 2024-08

The Community Development Department requires proof of approval from the following departments/agencies that are checked:

- ☐ Los Angeles County Fire Department
Fire Prevention Division
3161 E. Imperial Hwy.
Lynwood, CA 90255
(310) 603-5258

☐ Approved ☐ Not Approved ☐ No Approval
Necessary
☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☐ Los Angeles County Health Department
Environmental Health Specialist
5850 S Main Street, Room 2257
Los Angeles, CA 90003
(323) 235-7009

☐ Approved ☐ Not Approved ☐ No Approval
Necessary
☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☐ State Dept. of Alcoholic Beverage Control
Duty Investigator
3530 Wilshire Blvd., Suite 1110
Los Angeles, CA 90010
(213) 736-2005

☐ Approved ☐ Not Approved ☐ No Approval
Necessary
☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☐ Huntington Park Police Department
Watch Commander
6542 Miles Avenue
Huntington Park, CA 90255
(323) 584-6254

☐ Approved ☐ Not Approved ☐ No Approval
Necessary
☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☐ Huntington Park City Manager's Office
City Manager
6550 Miles Avenue
Huntington Park, CA 90255
(323) 584-6223

☐ Approved ☐ Not Approved ☐ No Approval
Necessary
☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

TEMPORARY USE PERMIT APPLICATION

PERMIT NO. TUP 2024-08

The Community Development Department requires proof of approval from the following departments/agencies that are checked:

- ☐ Huntington Park Office of the City Clerk
City Clerk
6550 Miles Avenue, Room 148
Huntington Park, CA 90255
(323) 584-6230

☐ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☐ Huntington Park Planning Division
Community Development Director
6550 Miles Avenue, Room 145
Huntington Park, CA 90255
(323) 584-6251

☒ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: 4/25/24

- ☐ Huntington Park Finance Department
Director of Finance and Admin. Services
6550 Miles Avenue, Room 127
Huntington Park, CA 90255
(323) 584-6237

☐ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

- ☒ Huntington Park Building Division
Building Official
6550 Miles Avenue, Room 145
Huntington Park, CA 90255
(323) 584-6315

☒ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X Jessie De Anda Date: 4/25/24

- ☐ Huntington Park Public Works Dept.
Public Works Director / City Engineer
6550 Miles Avenue, Room 145
Huntington Park, CA 90255
(323) 584-6253

☒ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: 4/25/24

- ☐ Huntington Park Parks and Rec. Dept.
Parks and Recreation Director
3401 E. Florence Avenue
Huntington Park, CA 90255
(323) 584-6218

☐ Approved ☐ Not Approved ☐ No Approval Necessary

☐ Approved w/ Conditions - Comments: _____

Signature: X _____ Date: _____

INSPECTION DATE 6/25

TNT FIREWORKS

SALES ASSOCIATE R. LEGASPI

CITY HUNTINGTON PARK

LOCATION# HPK2500 ORGANIZATION PRAISE CHAPEL

SIZE 32X8 TYPE NN BACK DOORS 0 A-FRAMES 2

SET-UP 6/25 DOWN DATE 7/6 LIGHTS MCGILLS

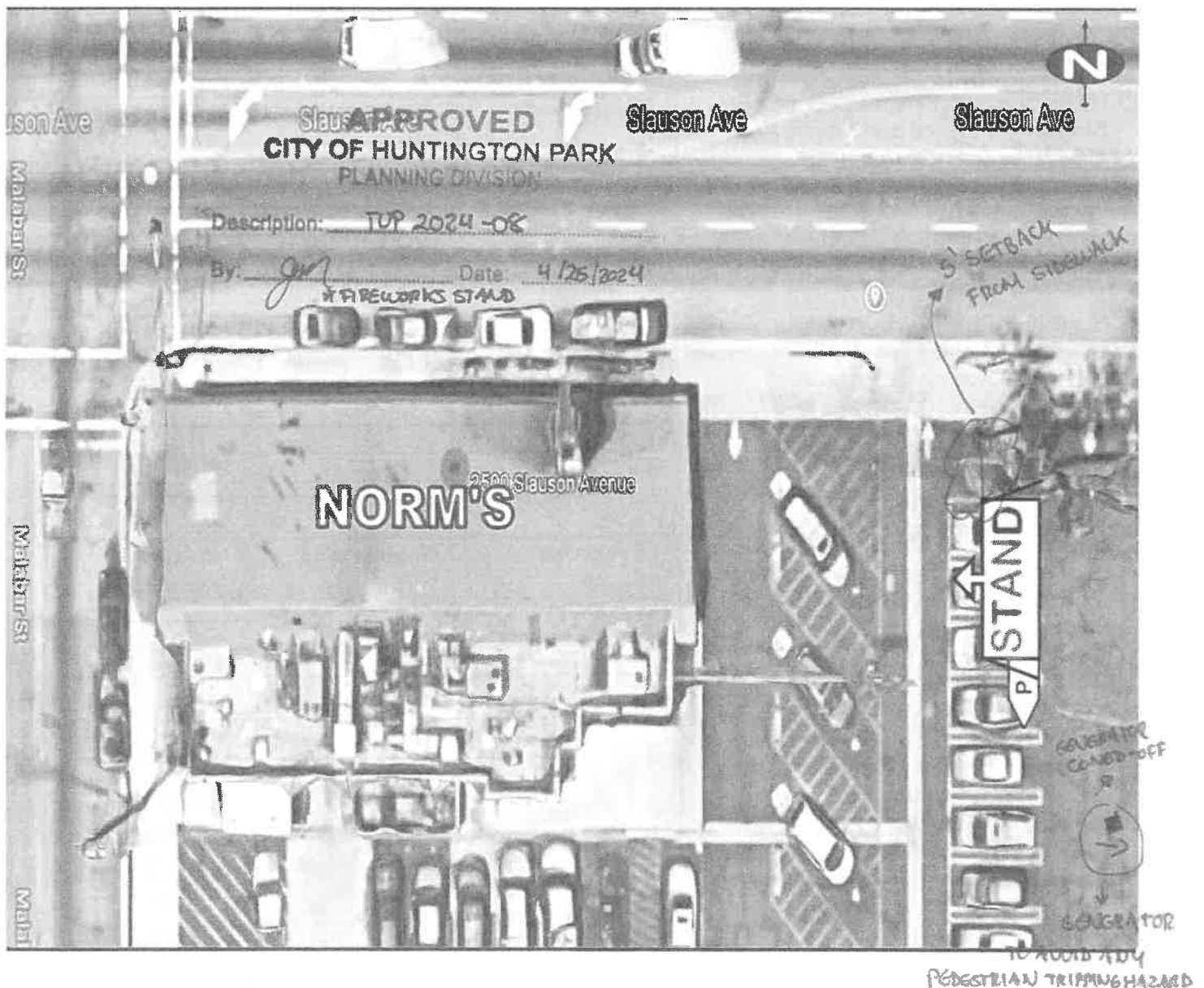
ADDRESS 2500 E. SLAUSON

INTERSECTION SEC SLAUSON & MALABAR

THOMAS GUIDE — COUNTY LA PAGE 635 GRID B-7

SPECIAL INSTRUCTIONS

SET STAND FACING NORMS LEAVE ROOM IN
FRONT OF STAND.





STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0540

Entity Status Letter

Date: 4/22/2024

ESL ID: [REDACTED]

Why You Received This Letter

According to our records, the following entity information is true and accurate as of the date of this letter.

Entity ID: [REDACTED]

Entity Name: PRAISE CHAPEL CHRISTIAN FELLOWSHIP

- ☒ 1. The entity is in good standing with the Franchise Tax Board.
- ☐ 2. The entity is **not** in good standing with the Franchise Tax Board.
- ☒ 3. The entity is currently exempt from tax under Revenue and Taxation Code (R&TC) Section 23701 d.
- ☐ 4. We do not have current information about the entity.
- ☐ 5. The entity was administratively dissolved/cancelled on [REDACTED] through the Franchise Tax Board Administrative Dissolution process.

Important Information

- This information does not necessarily reflect the entity's current legal or administrative status with any other agency of the state of California or other governmental agency or body.
- If the entity's powers, rights, and privileges were suspended or forfeited at any time in the past, or if the entity did business in California at a time when it was not qualified or not registered to do business in California, this information does not reflect the status or voidability of contracts made by the entity in California during the period the entity was suspended or forfeited (R&TC Sections 23304.1, 23304.5, 23305a, 23305.1).
- The entity certificate of revivor may have a time limitation or may limit the functions the revived entity can perform, or both (R&TC Section 23305b).

Connect With Us

Web: ftb.ca.gov
Phone: 800-852-5711 from 7 a.m. to 5 p.m. weekdays, except state holidays
916-845-6500 from outside the United States

California

Relay Service: 711 or 800-735-2929 (For persons with hearing or speech impairments)

Internal Revenue Service
District Director

Department of the Treasury

Date: JUL 28 1981

LA:EO:81: 1458

Employer Identification Number:

Accounting Period Ending:

December 31

Form 990 Required: ☐ Yes ☒ No

Person to Contact:

B. Brewer

Contact Telephone Number:

Praise Chapel Fellowship
1433 E. 58th Street
Maywood, CA 90270

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 170(b)(1)(A)(i) and 509(a)(1).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should contact us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

The box checked in the heading of this letter shows whether you must file Form 990, Return of Organization Exempt from Income tax. If Yes is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

L.C.

P.O. Box 2350, Los Angeles, Calif. 90053

(over)

Letter 947(DO) (5-77)

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees.

If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A solid black rectangular box used to redact the signature of the District Director.

District Director

ITEM 8



CITY OF HUNTINGTON PARK

Public Works Department
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Honorable Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL TO AWARD A CONSTRUCTION CONTRACT FOR CIP 2022-09 CDBG CHESLEY "CIRCLE" PARK PROJECT

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Award the contract to Green Giant Landscape, Inc. for the construction of CIP 2022-09 CDBG Chesley "Circle" Park Project as responsive, responsible bidder for a not to exceed amount of \$778,799.89 payable from CDBG funds; and
2. Approve a construction contingency in the amount of \$37,649.35 payable from CDBG funds; and
3. Authorize the City Manager to execute the construction contract agreement and any change orders in an amount to not exceed the contingency.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 11, 2023, the City Council authorized staff to advertise the Notice Inviting Bid (NIB) for CIP 2022-09 CDBG Chesley "Circle" Park Project. The project design includes a revitalization of Chesley "Circle" Park. Enhancements include ADA improvements, new multiuse age-appropriate playground equipment and other ancillary park improvements. Primary focus is on the construction of playgrounds that comply with current National Program for Playground Safety guidelines, standards and regulations that ensure safe, quality, and inclusive playground spaces. The design integrates safety initiatives and targets on mitigating the persistent concerns brought to staff's attention over the quality of the existing playground equipment. Properly designed playgrounds encourage active mobility, exercise, and inclusivity. Improvements center on the health and wellness of space and place that address a youth population with a high rate of obesity in the State.

CONSIDERATION AND APPROVAL TO AWARD A CONSTRUCTION CONTRACT FOR CIP 2022-09 CDBG CHESLEY "CIRCLE" PARK PROJECT

June 18, 2024

Page 2 of 3

The City advertised the CIP 2022-09 CDBG Chesley "Circle" Park Project on November 24, 2023, in accordance with our standard procurement procedures, seeking competitive bids to ensure the best value for public funds. On January 17, 2024, the City Clerks office held a bid opening where one (1) bid was received. The bid received was \$1,007,006.59, which is 92.54% higher than the City's allocated budget of \$523,000. Given the substantial difference between the bid and the available funds, accepting the bid would not be fiscally responsible. To generate more competitive interest, the city re-advertised the project on February 12, 2024, extending the submission period and widening the reach of our advertising efforts. Upon the second round of advertising, despite a thorough advertising campaign, the City received no bids by the submission deadline. In light of these circumstances, and in accordance with California Public Contract Code Section 22038(c) and Section 20166, the City explored alternative procurement options. Given that traditional competitive bidding did not yield viable results, the city proceeded to negotiate directly with a contractor. This decision was made following careful consideration of the project's urgency, the need to manage costs effectively, and the legal framework permitting such action.

The City selected Green Giant Landscape, Inc., a reputable firm with experience in similar projects, to negotiate a contract. The selection was based on previous performance, cost estimates, and technical expertise. The negotiation process was transparent, well-documented, and aimed at achieving the best possible outcome within the City's budget constraints. The City successfully negotiated a contract with Green Giant Landscape, Inc. for the of CIP 2022-09 CDBG Chesley "Circle" Park Project at a total cost of \$778,799.89, which is within our available budget. This negotiated agreement ensures that the project can proceed without compromising financial responsibility or project quality. The City remains committed to transparent and accountable procurement practices and will continue to document and review all steps taken to ensure compliance with state and local regulations.

LEGAL REQUIREMENT

Community Development Block Grant (CDBG) funds have been allocated to this project. The CDBG program provides annual grants on a formula basis to states, counties, and cities to develop viable urban communities. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended 42 U.S.C. 5301 et seq. CDBG funds may be used for activities which include but are not limited to construction of public facilities and improvements.

The City adhered to Public Contract Code sections 20161 and 20162, which mandates California public works projects to be competitively bid. The public works competitive bidding laws are intended to eliminate favoritism, fraud, and corruption in the awarding of public contracts. The construction contract agreement conforms with all applicable Federal, State, local and public contracting codes and consents to the proper execution by the City Manager.

**CONSIDERATION AND APPROVAL TO AWARD A CONSTRUCTION CONTRACT
FOR CIP 2022-09 CDBG CHESLEY "CIRCLE" PARK PROJECT**

June 18, 2024

Page 3 of 3

ENVIRONMENTAL IMPACT

Approve Environmental Assessment as follows: The proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations § 15301 as a Class 1 categorical exemption (Existing Facilities). The project results in minor alterations to existing public facilities involving no significant expansion of the existing use. The project is not anticipated to have any significant impacts with regards to traffic, noise, air quality, or water quality. There are adequate utilities and public services to serve the project.

FISCAL IMPACT/FINANCING

Staff recommends awarding the contract to Green Giant Landscape, Inc. for the construction of the Project as the responsive, responsible bidder for a not-to-exceed amount of \$778,799.89. Additionally, staff recommends the approval of the construction contingency in the amount of \$37,649.35 payable from CDBG funds. The City Manager is granted the authority to approve any and all negotiated construction change orders in good faith.

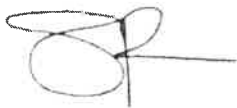
CONCLUSION

Upon Council approval, staff will proceed with the recommended actions.

Respectfully submitted,



RICARDO REYES
City Manager



Steve Forster
Acting Director of Public Works

ATTACHMENT(S)

1. Green Giant Landscape, Inc. Bid

Attachment No. 1

BID PROPOSAL FOR CHESLEY CIRCLE PARK PROJECT CDBG FUNDED

FY 2023/2024
CIP PROJECT NO.: 2022-09

IN THE CITY OF HUNTINGTON PARK

The undersigned declares that he/she has carefully examined the location of the proposed work, that he/she has examined the specifications and read the accompanying instructions to bidders, and hereby proposes to do all the work in accordance with said specifications for the amounts set forth below:

Construct improvements as reiterated above, located in the City of HUNTINGTON PARK, California, in accordance with the specifications for the unit price set forth in the following items:

ITEM NO.	DESCRIPTION	UNIT	EST. QTY.	UNIT PRICE (\$)	PRICE (\$)
1	Mobilization/Demobilization (Not to exceed 3% of the total of all other prime contract Bid Items)	LS	1	22,683.49	22,683.49
2	Provide Traffic Control	LS	1	11,400 -	11,400 -
3	Provide Erosion Control and BMPs	LS	1	7,600 -	7,600 -
4	Remove and Replace the Existing Entrance Ramp with ADA Ramp (SSPWC Standard).	EA	2	9,120 -	18,240 -
5	Relocate one Tree	EA	1	1,520 -	1,520 -
6	Prune the Root of Existing Tree and Install the Root Barrier	LS	1	760 -	760 -
7	Remove Concrete Sidewalk, Including Soil Backfill, Top Layer Mulch, and Utility Box/Valve Lid Adjustment to Finish Grade	SF	894.50	15.20	13,596.40
8	Remove all Existing appurtenances as noted on the Demolition plan sheet A102 (Drinking Fountain, trash bins, existing signage, Benches, light poles, etc.)	LS	1	38,000 -	38,000 -
9	Relocate the Existing Gate and all the attachments	EA	1	4,560 -	4,560 -
10	Demolish Existing Concrete appurtenances as noted on the Demolition plans (Ramps, Playground Flooring, etc.)	LS	1	26,600 -	26,600 -
11	Construct Concrete ADA Ramp	LS	1	11,400 -	11,400 -
12	Furnish and Install Impact Playground Flooring	SF	3,450	22.80	78,660 -
13	Furnish and Install all Commercial Playground Equipment per plans	EA	3	41,800 -	125,400 -

14	Furnish and Install Playground Hill Climb Per details on Plans	LS	1	28,880-	28,880-
15	Furnish and Install Fog System including In-ground Lighting	SF	120	38-	4,560-
16	Provide and Install Lighting, including 6 Poles, 18 Bollard including foundations	EA	24	3800-	91,200-
17	Provide and Install Two Level Drinking Fountain	EA	2	13,680-	27,360-
18	Furnish and Install Natural Plants	SF	1,700	11.40	19,380-
19	Furnish and Install Picnic Bench and Umbrella sets (3), Playground Benches (6), Trash Cans (4) Per Plans	LS	1	31,160-	31,160-
20	Construct 5-Foot-Wide concrete Sidewalk	SF	800	19-	15,200-
21	Install Public Improvement Project Signs	EA	1	3,040-	3,040-
22	Furnish and Install Irrigation System Per Landscape Plans	LS	1	107,160-	107,160-
23	Grade To Drain Playground Area and Sidewalk Per Plans	SF	6,000	.76¢	4,560-
24	Repair and Paint Fences and Gates Per Plans	LS	1	11,400-	11,400-
25	Electrical Materials and Installation Furnish and Install all Electrical Components Per Electrical Plans (Wires, Coupling, Conduit, Junction Boxes and etc.)	LS	1	38,000-	38,000-
26	Mechanical Material and Installation Furnish and Install all Mechanical Components Per Mechanical Plans (Pipes, Plumbing, Conduit, and etc.)	LS	1	28,880-	28,880-
27	Furnish and Install the Main Electrical board (Siemens or approved Equal)	EA	1	7,600-	7,600-
TOTAL AMOUNT BID IN FIGURES					778,799.89

TOTAL AMOUNT BID IN WORDS:

Seven hundred seventy-eight thousand, seven hundred ninety-nine dollars and eighty nine cents _____ Dollars

Bidder's Signature

Title

Green Giant Landscap, Inc

Company Name

The total contract period for this project is 120 working days from the effective date of the Notice-to-Proceed to be issued by the City.

ITEM 9



CITY OF HUNTINGTON PARK

Office of the City Clerk
City Council Agenda Report

June 18, 2024

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

COUNCIL APPOINTMENTS TO VARIOUS COMMISSIONS

IT IS RECOMMENDED THAT CITY COUNCIL:

1. Make appointments to Commissions consistent with provisions set forth in Resolution No. 2015-19.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On May 18, 2015, the City Council adopted Resolution No. 2015-19 which established a new process for making appointments to various City Commissions.

Individuals appointed to Commissions will be required to submit to a LiveScan and subsequently take an Oath of Office.

FISCAL IMPACT

There is no fiscal impact. Compensation for added Commissioners has been budgeted for FY 2023/24 to account 111-0123-413.19-05.

CONCLUSION

Terms will run concurrent with the Council Member who appoints. After the appointment the City Clerk will notify applicants of their appointments.

COUNCIL APPOINTMENT TO CIVIL SERVICE COMMISSION

June 18, 2024

Page 2 of 2

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES

City Manager

A handwritten signature in black ink, appearing to read 'Eduardo Sarmiento', with a stylized flourish at the end.

EDUARDO SARMIENTO,

City Clerk

ATTACHMENT(S)

- A. Resolution No. 2015-19, Adopting Revised Rules, Method of Appointment, Guidelines for the Conduct of Meetings and Structure for all Commissions of the city and Repealing all Prior Resolutions or Provisions in Conflict with the Provisions Contained Herein.

ATTACHMENT "A"

RESOLUTION NO. 2015-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK ADOPTING REVISED RULES, METHOD OF APPOINTMENT, GUIDELINES FOR THE CONDUCT OF MEETINGS AND STRUCTURE FOR ALL COMMISSIONS OF THE CITY AND REPEALING ALL PRIOR RESOLUTIONS OR PROVISIONS IN CONFLICT WITH THE PROVISIONS CONTAINED HEREIN

WHEREAS, the City Council has decided to amend all commission resolutions to provide for congruent and consistent regulation and structure across all City Commissions.

THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK DOES RESOLVE AS FOLLOWS:

SECTION 1: Establishment of City Commissions.

The City has currently established the following commissions to serve in the capacity as advisory bodies to the City Council:

Planning Commission
Civil Service Commission
Parks and Recreation Commission
Health and Education Commission
Historic Preservation Commission
Youth Commission (pending approval).

This Resolution is intended to govern and supersede all prior resolutions establishing and amending member qualifications, organizational rules, guidelines and structure for City Commissions and hereby repeals all provisions in conflict with the provisions contained herein by the adoption of the revised provisions below. This Resolution will also govern over provisions of City ordinances currently in existence, but which will be repealed or amended for consistency with this Resolution. This Resolution shall also govern and control any additional Commission created by the City Council in addition to those enumerated above.

SECTION 2: Membership.

All City Commissions shall consist of five (5) members, with the exception of the Youth Commission which shall consist of ten (10) youth from the City as defined below. All members of each Commission shall be a resident of the City of Huntington Park, however, at the City Council's discretion, no more than two (2) Commissioners for any Commission may be non-Huntington Park residents. Each person seeking appointment to a Commission shall complete an application provided by the City and submit to a Live Scan background check before being appointed to a Commission and before being sworn in to office.

1 **SECTION 3: Appointment, Reappointment and Removal.**

2 Each member of the City Council shall have authority to appoint one (1)
3 member to each Commission, with the exception of the Youth Commission, which
4 shall consist of two (2) members appointed by each City Councilmember. Each
5 Councilmember shall appoint their Commissioners within sixty (60) days of assuming
6 office, or from the adoption of this Resolution, or from a vacancy occurring for said
7 Commission position for that respective Councilmember appointment. If no
appointment is made within sixty (60) days of assuming office, or from the adoption of
this Resolution, or from a vacancy occurring for said Commission position, the Mayor
shall appoint a member to the vacant seat.

8 Commission members may be removed from their appointment due to
9 disqualification as provided for in this Resolution or upon the sole decision by the
10 Councilmember who appointed that Commissioner. All appointments or removal of
11 Commissioners shall occur at an open meeting of the City Council. If removal of a
Commissioner occurs, the City Clerk shall send notice to that Commissioner at the last
address on file with the City.

12 **SECTION 4: Term of Office.**

13 Each Commissioner's term shall be for a period of four years, unless removed
14 by the appointing Councilmember or as a result of disqualification as set forth herein.
15 Notwithstanding the foregoing, no Commissioner shall serve for a period which
16 exceeds the time in office for the Councilmember appointing that Commissioner. In
17 the event that the appointing Councilmember completes his or her term, vacates their
18 office or otherwise is no longer holding office, the term of the Commissioner appointed
by said Councilmember shall end. However, nothing contained in this section shall
prevent another Councilmember or the new Councilmember from appointing the
individual back to the same Commission or to a different Commission.

19 **SECTION 5: Vacancy Due to Disqualification.**

20 When a member no longer meets the qualifications for the Commission, the
21 member is therefore disqualified, and the office shall thereupon become vacant.

22 **SECTION 6: Vacancy.**

23 If for any reason a vacancy occurs, it shall be filled by appointment by the
24 member of the City Council who appointed said Commissioner for the unexpired
portion of such term.

25 **SECTION 7: Quorum.**

26 A majority of the total number of members of the Commission shall constitute a
27 quorum for the transaction of business, but a lesser number may adjourn from time to
28 time for want of quorum and until a quorum can be obtained.

1 **SECTION 8: Purpose.**

2 The purpose, duties and responsibilities of each Commission shall be
3 established by the City Council by ordinance and codified in the Huntington Park
4 Municipal Code.

5 **SECTION 9: Organization.**

6 Annually in the month of March, the Commission shall elect one of its members
7 as Chair and Vice-Chair. City staff shall act as the Commission Secretary. Staff
liaisons shall act as the conduit for all communications to the City Council.

8 **SECTION 10: Meetings.**

9 Regular meetings of the Commission shall be as set by each Commission. The
10 place of such meetings shall be at City Hall unless otherwise designated by the City
11 Council or approved by a majority of the total membership of the Commission. When
12 the day for such regular meetings falls on a legal holiday, the meeting shall not be
13 held on such holiday, but shall be held at the same hour on the next succeeding day
14 thereafter which is not a holiday. All meetings of the Commission shall be open and
15 public, and subject to all laws of the state of California e.g. the Brown Act, governing
open public meetings. The Commission shall adopt its own rules for the transaction of
its business and keep a record of resolutions, findings and recommendations and
actions voted upon. A report of each meeting of the Commission shall be given to the
City Council.

16 **SECTION 11: Termination of Commission.**

17 Termination of the Commission shall be done at the will and vote of the City
18 Council.

19 **SECTION 12: Compensation.**

20 Commission member compensation shall be set by resolution of the City
21 Council.

22 **SECTION 13: Commission Handbook.**

23 All Commission Members must adhere to the provisions contained and
24 referenced in the City of Huntington Park Commission Handbook as approved by the
City Council.

25 **SECTION 14:**

26 The City Clerk shall certify to the adoption of this Resolution.
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PASSED, APPROVED AND ADOPTED THIS 18th day of May, 2015.


Karina Macias
Mayor

ATTEST:


Donna G. Schwartz, CMG
City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HUNTINGTON PARK)

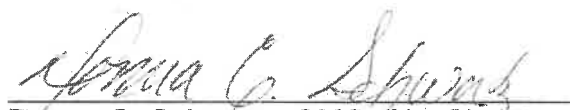
I, Donna G. Schwartz, City Clerk of the City of Huntington Park, California, do hereby certify that the foregoing Resolution No. 2015-19 was duly passed and adopted by the City Council of the City of Huntington Park at a regular meeting of the City Council held on the 18th day of May, 2015, by the following vote, to wit:

AYES: Council Member(s): Pineda, Sanabria, Vice Mayor Ortiz, Mayor Macias

NOES: Council Member(s): None

ABSENT: Council Member(s): Amezcuita

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Huntington Park, this 20th day of May 2015.


Donna G. Schwartz, CMC, City Clerk