



Senior Minor Home Rehabilitation Program

Program Guidelines

Approved: September 4, 2024

I. Program Overview

A. Purpose, Goal, and Objective of Program

The purpose of the Senior Minor Home Rehabilitation Program is to provide grants to eligible low and moderate-income senior residents for minor rehabilitation projects to make mobility easier. Projects may include, but are not limited to: wheelchair ramps, handrails, grab bars, tub conversions to roll-in showers, roof repairs, plumbing, repairs, and window replacement. Detailed eligibility criteria are outlined under Section II.

The goal of the Senior Minor Home Rehabilitation Program is to provide grants for eligible construction costs not-to-exceed \$17,255 per minor housing rehabilitation project.

The program objective is to assist eligible low- and moderate-income (LMI) seniors of Sierra Madre in repairing and improving the existing conditions of households by providing funding for minor housing rehabilitation repairs.

B. Source of Funds and Relationship with Grantor

The source of funds for the Minor Home Rehabilitation Program is the Los Angeles County Community Development Authority (LACDA), which acts as an agent for and is the recipient of the Federal Government's Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. These funds are targeted to benefit low- and moderate-income seniors.

The City is responsible for marketing the Program, processing and packaging all repair grants it obtains for the Program, performing on-site inspections, and acting as a quality agent relative to Program activity. The City is obligated to fulfill the terms and conditions of its contract with the LACDA, established LACDA policies and procedures, and Federal and local rules and regulations.

C. Types of Assistance Available

Assistance shall be available to eligible homeowners in the form of a grant up-to \$17,255 per qualified single-family homeowner.

D. Funding Availability

The Program is implemented on a first come, first served basis, and is subject to funding availability. The program is not an emergency program as Federal regulations apply and must be met prior to use of funds.

II. Applicant Eligibility Requirements

A. Income Eligibility Standards Based on Total Persons in Household

Participation in the Senior Minor Home Rehabilitation Program is limited to applicants whose annual household income does not exceed the HUD-established income limits. These income limits provide a criterion for eligibility based on the total amount of annual household income adjusted for household size. The City will require documentation of both household size and household income information in order to determine applicant eligibility.

1. **ANNUAL INCOME DEFINITION:** Annual Income shall be defined as the total income received from all sources by an individual or a family, including the head of household, spouse, and each additional member of the household who has earned or recouped income during a 12-month period to their application for services.

B. Income Eligible for Review

Reviewed income must include, but not be limited to, the following:

1. **Personal Service Income**, including the full amount of all earnings, before any payroll deductions of wages and/or salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services.
2. **Business or Professional Service Income**, including net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness must not be used as deductions in determining net income. Any withdrawal of cash or assets from the operation of a business or profession will be considered income, except to the extent the withdrawal is a reimbursement of cash or assets invested in the operation by the family. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation as provided in Internal Revenue Service regulations.
3. **Interest and Dividends Income**, including interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in Section II.B.2, above. Any withdrawal of cash or assets from an investment will be included as part of net income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual

income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rates as determined by the U.S. Department of Housing and Urban Development (HUD).

4. **Payments in Lieu Earnings**, such as unemployment and disability compensation, worker's compensation and severance pay (except for lump-sum payments described in Section II.C.2, below).
5. **Periodic Payments**, including the full amount of periodic payments received from social security, annuities, insurance policies, retirement, 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.
6. **Periodic and Determinable Allowance**, such as alimony and child support payments, and regular contributions of gifts received from persons not residing in the dwelling.
7. **Welfare Assistance**, including the amount of welfare allowance or grant, but excluding any funds specifically designed for shelter and utilities that are subject to adjustment by the welfare assistance agency (in accordance with the actual cost of shelter and utilities).
8. **Armed Forces**, including all regular pay, special pay and allowances of a member of the Armed Forces but exempting armed forces special pay described in Section II.C.6, below).
9. **Tax Credits**, including any earned income tax credit to the extent it exceeds income tax liability.

C. **Income Exempt from Review**

The calculation of annual income shall not include the following:

1. **Income from Children**, including income from the employment of children (including foster children) under the age of 18 years, or payments received for the care of foster children.
2. **Lump Sum Payments**, including additions to family assets, such as inheritances, insurance payments (e.g., health and accident insurance, and worker's compensation), capital gains and settlement for personal or property losses [see Sections II.B.4 and II.B.5, should be included].
3. **Reimbursement for Medical Costs**, including all payments received by the family that are specifically for or in reimbursement of medical expenses for any family member.
4. **Live-in Aide**, including the income of a live-in aide employed because of a medical condition of a family member.
5. **Education**, including educational scholarships paid directly to the student or to the educational institution, and Government funds paid to a veteran for tuition fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income
6. **Armed Forces**, special pay to a family member serving in the Armed Forces, exposed to hostile fire.
7. **Government Programs**, including the following:
 - a. Amounts received under training programs funded by HUD.
 - b. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income (SSI) eligibility and benefits, because they are

set aside for use under a Plan to Attain Self-Sufficiency (PASS).

- c. Amount received by a participant in other publicly assisted programs, which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and made solely to allow participation in a specific program.
 - d. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the U.S. Housing Act of 1937.
8. **Temporary Income**, considered temporary, nonrecurring or sporadic in nature (including gifts).

Income determinations are subject to the submission and verification requirements of the City of Sierra Madre and are subject to change based on the programmatic requirements of the Community Development Grant Program (CDBG), or the Los Angeles Urban County CDBG Program.

D. Property Ownership

The applicant(s) must be the current owner(s) of the property and live on the property to be rehabilitated in order to be eligible for Program assistance. The recipient of the grant shall occupy the Site for at least five years. The property owner will annually certify the occupancy restrictions on a form provided by the City and will be required to complete and record the Affordability Covenant. If owner breaches the conditions and restrictions contained in the Covenant before expiration of the term of the Covenant, the Owner will be required to repay the entire grant award within 30 days of the City's notification of the breach. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity who holds title to the property being rehabilitated. In the case of multiple ownership, the signature of each titleholder is required on all appropriate documents. The City will verify property ownership and require all persons currently on the title to give written consent to all work proposed to be done on the property prior to initiating such work.

E. Age Eligibility for Review

Participation in the Senior Minor Home Rehabilitation Program is limited to property owners who are the age of 55 and above. The City will require documentation of identification with date of birth to determine applicant eligibility.

F. Other Documentation Required

The applicant(s) must also submit the following documents in order to determine eligibility:

1. City Application
2. Copy of Federal Income Tax Forms for the previous year (2 years if applicant is self-employed);
3. Copy of recent property tax bill;
4. Copy of recent payroll check stubs, Social Security checks, Social Security SSI checks, AFDC checks or pension for the property;

5. Copy of insurance policy for the property; and
6. Copy of valid identification with photograph and date of birth (i.e., driver's license, passport, etc.).

G. Re-Application Period

In order to give as many persons as possible the opportunity to participate in the Minor Home Rehabilitation Program, any applicant(s) who have participated in the program are not permitted to participate for a 3-year period, unless no other applicants are awaiting assistance under the program.

III. Property Eligibility Requirements

A. Target Areas Eligible Under the Program

To be eligible for the Senior Minor Home Rehabilitation Program, the property to be repaired must be constructed and be used for residential purposes, as well as be located within the city limits of the City of Sierra Madre.

B. Minimum Property Rehabilitation Standards

All work performed under the Senior Minor Home Rehabilitation Program shall meet all applicable standards contained in the City's adopted Zoning Ordinance, local building and safety codes, the Uniform Building Code, and such other codes as designated by the Community Development and Preservation Department.

C. Eligible Structures

Eligible property types of residence can include:

- Single-Family homes

To be eligible, the housing must be the primary residence of income-eligible occupants.

D. Rehabilitation Needs Which Warrant Priority Repair

For each eligible property, the following health and safety items and code violations will be given priority for rehabilitation and must be considered prior to all other home repairs:

1. Roof;
2. Foundation;
3. Electrical Wiring;
4. Plumbing;
5. Heating/Cooling System;
6. Termite/Rodent elimination;
7. Handicapped Improvements; and
8. The elimination of specific conditions detrimental to public health and safety, which have been identified by the City.

E. Eligible and Ineligible Repair

Repairs that may be eligible through the Minor Home Rehabilitation Program are:

1. Correction of Code Violations;
2. Correction of Code and Building violations of the Uniform Building Codes;
3. Cost effective energy conservation measures, including solar heating, cooling and water systems;
4. Removal of lead-based paint hazards;
5. Removal of barriers to the handicapped;
6. Removal of rodents and roaches (pest control);
7. Removal of termites;
8. Repair/replace roofing;
9. Repair/replace heating;
10. Repair/replace plumbing;
11. Repair/replace screens;
12. Install new smoke alarms;
13. Install new insulation;
14. Repair/replace kitchen and bath flooring;
15. Repair/replace water heaters;
16. Repair/replace bath fixtures;
17. Repair/replace countertops;
18. Repair/replace electrical work;
19. Repair/replace windows;
20. Repair/replace stucco;
21. Painting (inside and outside);
22. Install new deadbolt locks;
23. Repair/replace carpet;
24. Repair/replace kitchen or bath cabinets;
25. Repair/replace fencing;
26. Any items determined eligible by the Planning Manager; and
27. The elimination of specific conditions detrimental to public health and safety, which have been identified by the City.

The following improvements are not eligible through the Minor Home Rehabilitation Program.

1. New Construction;
2. Reimbursement for an owner's personal labor;
3. Appliances (except built-in stove, cook top, refrigerator, or garbage disposal);
4. Purchase, installation, or repair of furniture;
5. Demolition that does not improve the existing structure;
6. Repairs that are interim in nature;
7. Wrought iron security devices;
8. Recreational equipment, facilities, or repairs;
9. Kennels;
10. Bath houses, swimming pools, saunas, hot tubs, Jacuzzi repairs;

11. Photomurals, stands, television antennas, valances, cornice boards;
12. Security alarms;
13. Greenhouses;
14. Drapes;
15. Barbecue pits;
16. Landscaping (unless the landscaping is determined to be a fire hazard, a code violation, minor in nature and in conjunction with other repair work); and
17. Any items considered to be luxury items as determined by the City of Sierra Madre.

NOTE: THIS LIST OF ELIGIBLE AND INELIGIBLE IMPROVEMENTS IS NOT EXHAUSTIVE. THE CITY WILL MAINTAIN THE DISCRETION TO DETERMINE WHETHER A PARTICULAR IMPROVEMENT IS ELIGIBLE OR INELIGIBLE.

F. Additional Uses of Grant Funds

In addition to the eligible direct construction costs, grant funds may be used to pay for financing fees associated with the program including title evidence, credit reports, recording fees, and planning and building permit fees.

IV. Program Procedures

A. Applicant Intake and Eligibility Determination

1. **Pre-Screening.** To the extent possible, prospective applicants shall be pre-screened for basic eligibility requirements over the telephone by calling the City of Sierra Madre.
2. **Application.** Persons may apply for the Senior Minor Home Rehabilitation Program funds by completing application forms available at the City and submitting such materials to the City of Sierra Madre, attention Senior Minor Home Rehabilitation Program. Complete applications will be reviewed in the order in which they are received. The City will maintain a waiting list if necessary. If an emergency condition exists, income eligible senior applicants may be moved up on the waiting list at the discretion of the City Manager to eliminate the emergency condition. The determination of a local emergency will be made on a case-by-case basis by the City Manager when immediate rehabilitation is necessary to address emergency situations such as natural disasters and substandard building condition such as non-functioning hot water heaters, furnaces, leaky roof, etc. The amount of the grant funding that the applicant will receive will cover the cost to eliminate the emergency condition and other eligible construction costs for minor rehabilitation repairs.

Verification and Eligibility. The City shall verify all sources of household income in accordance with guidelines established by the HUD and the LACDA. Household income must be verified before applicant eligibility can be established. Income verification information shall be updated, and applicant eligibility re-determined if such information is more than six months old prior to the beginning of rehabilitation work. Applicants will

be notified regarding eligibility status. The age of the applicant shall be verified with the City before eligibility can be established.

3. **Rehabilitation Feasibility Determination.** Once an applicant is determined to meet eligibility requirements, an initial inspection of the property will be made by the Residential Rehabilitation Inspector to determine the extent of any building deficiencies that may be corrected through the Minor Home Rehabilitation Program. A Work Write-up will be prepared by the Program Inspector for the development of bidding documents.
4. **Processing.** As a goal, processing time from the date the City determines that the applicant is eligible for assistance under the Program until a grant is approved or denied shall be approximately thirty (30) days, unless a waiting list exists.
5. **Approval and Notifications.** In order to obtain program funds, applicants must meet all property and eligibility guidelines in effect at the time of funding approval. Applicants will be provided notification of approval or denial. Reasons for project denial will be provided to the applicant in writing.
6. **Historical Review.** The Program consultant shall prepare a Basic Property Identification Form for the subject property and attach required photographs (unless exempt) for processing with the LACDA Historical Review Division.
7. **Processing of Grant.** Copies of Work Write-up and other pertinent documents will be reviewed for title verification prior to issuance of any grant.

B. Procurement and Contractor Selection

1. **Procurement.** The property owner(s) shall be responsible for obtaining a minimum of three (3) bids for the proposed work. Owners should screen any contractors who are providing bids on the work. The City will coordinate with the property owner to obtain at least one (1) estimate from a qualified contractor for each Senior Minor Home Rehabilitation Program project. The property owner(s) shall be responsible for obtaining bid estimates for repairs. Estimates shall be submitted in the form prescribed by the Senior Minor Home Rehabilitation Program, or other manner deemed acceptable to the City.

Upon preparation of the work write-up for the project, the City shall prepare an estimate of costs for the anticipated scope of work. Upon receipt of a bid, a review of the submitted bid shall be performed to ensure that the pricing is in conformance with current market rates for the work to be performed.

Bids that are in excess of ten percent (10%) of the pre-bid estimate amount shall be rejected as excessive in price, and a new bid requested. A bid that does not exceed the 10% pre-bid estimate requirement shall be deemed a responsive bid. Where multiple bids are received, the lowest bid amount shall be deemed the responsive bid, provided that the estimate does not exceed the established 10% threshold.

2. **Selection.** In accordance with CDBG regulations and LACDA requirements, the contractor who is considered to be a responsive bidder, is cleared from the DOL debarred list and

the Contractors State Licensing Board (CSLB), will be awarded the contract.

3. **Contractor License/Insurance File.** The City shall maintain a file for each contractor performing work pursuant to the terms and conditions of this program. The file shall include the following information:
 - Contractor's social security number or federal tax ID number;
 - Unique Entity ID (UEI) number, formerly referred to as a "DUNS" number;
 - Copies of the contractor's currently liability and worker's compensation insurance policies;
 - Copies of the contractor's current California Contractor's License;
 - Copy of City Business license;
 - A list of all the sub-contractors (including license number) to be used by the General Contractor; and
 - County Lobbyist Certification.

4. **Ineligible Contractors.** In accordance with LACDA and the City guidelines, the City and the applicant(s) shall agree not to award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from a Minor Home Rehabilitation Program grant, to any contractor who is not a California licensed contractor, who cannot produce sufficient evidence of current Workman's Compensation and Liability Insurance coverage, or who is on the DOL Debarred Contractor list or on the City's list of unreliable or irresponsible contractors. All owner/builders, or any member of the applicant's family, are considered ineligible regardless of credentials or license. Any ineligible contractor found working at the job site will be removed immediately, without compensation

C. Award of Contract

1. **Notification.** The City shall notify the contractor of the award of bid and shall establish a date and time for the pre-construction meeting.

2. **Rehabilitation Construction Contract.** The contract, for the approved rehabilitation work shall be prepared by the City and shall be entered into between the property owner and the selected contractor. The City may require the inclusion of certain contractual terms in accordance with HUD and LACDA requirements. In the event of any dispute arising under this program, the injured party shall notify the injuring party in writing of its contentions as specified under the contractor agreement between the property owner and the contractor.

3. **Private Arrangements.** The City cautions the property owner and the contractor no to enter into "side deals" for additional work or deviations from the approved work write-up. No unauthorized work will be compensated by City to contractor.

4. **Preparation of Grant Documents.** Copies of the contract and related documents are

sent to the Program consultant for the preparation of all grant and related documents.

D. Pre-Construction Meeting

Prior to construction, the City will arrange a pre-construction meeting which shall be attended by the contractor, subcontractor(s) if applicable, the property owner, and Program staff. The purpose of this meeting is to explain all applicable contractual requirements, explain all Program requirements and procedures, coordinate and schedule the work start date, perform a job-walk, and answer questions related to contract documents. The City shall maintain written minutes of this meeting.

E. Start of Construction

No work shall commence until a "Notice to Proceed" has been issued to the contractor, signed by the property owner and the City representative. In addition, no work shall commence until the proper permits have been issued by the City's Building and Safety Department.

F. Change Orders

Change orders are required for any additions or deletions to the work write-up once the contract agreement is signed. These changes must be approved by the property owner, the contractor and the City.

G. Progress Payment to Contractor and City Inspections

1. **Inspections and Complaints.** To ensure the integrity of the authorized repair work, the Program Inspector shall conduct site inspections prior to the issuance of progress payments and prepare detailed inspection reports, which identify any deficiencies in a contractor's materials or workmanship. These reports shall be reviewed and signed by the homeowner. The Program Inspector shall make regular and/or unannounced inspections of work in progress to identify the quality of work and assess satisfaction of the property owner(s). These inspections are in addition to the normal inspections required by the Building Department.
2. **Payment Request Packages.** The Contractor shall submit payment request packages to the City in the prescribed format. All requests shall be signed by the contractor, homeowner, and Program Inspector, certifying that the work has been satisfactorily completed. All pertinent invoices, mechanics lien releases, certifications, and copies of applicable perm its shall be attached to the payment request. Final payment request must also include the owner's certification of acceptance, Building sign off card, and the Notice of Completion. Payment request packages shall be submitted to the City for approval. A maximum of three (3) progress payments minus a 10% retention may be submitted. The final payment for the 10% retention shall be paid after all program and contractual conditions have been met, 35 days after the Notice of Completion is recorded.

H. Applicant Complaint Resolution Process

Complaints concerning the Program should first be made, in writing, to the Manager of the Planning and Community Preservation Department of Sierra Madre. The applicant shall be allowed to present all pertinent facts to the Manager that may have a bearing on the particular issue to be resolved. The decision of the committee shall be final.

I. City's Responsibilities and Applicant's Responsibilities

1. **Property Maintenance** - Homeowner(s) are responsible for property maintenance during the rehabilitation work (contractor is responsible for keeping the property clean of all construction material) in the conformance with the Sierra Madre Municipal Code Sections. The homeowner(s) are responsible for ensuring that the rehabilitation work is not impeded because of un-maintained property or general sloppiness, and that items of value, including pets, are secured. The City shall encourage that the contractor and his/her employees provide adequate protection to the homeowner(s)' property, both interior and exterior, during the rehabilitation process.
2. **Property Tax Bills** - A copy of current property tax bills for the subject property must be submitted to the City as part of the application process. The property owner(s) is/are responsible for ensuring that the property taxes are current. If an applicant's property tax statement indicates a delinquency at the time of the Program application, the City shall not proceed with grant processing until it is supplied with a Certificate of Redemption from Los Angeles County Tax Assessor's Office or other appropriate documentation of proof of payment.
3. **Notice of Completion** - The property owner(s) are responsible for executing a Notice of Completion within 10 days of the completion of the work.

V. Program Procedures

A. Bonus, Commission, or Fee

The applicant shall not pay any bonus, commission or fee for the purpose of obtaining approval of the grant application, or for any other approval or concurrence as may be required by the LACDA or the City, pursuant to the provisions of this Program.

B. Conflict of Interest

No Program grant will be provided to any member of the governing body of the County of Los Angeles, nor any designee of the LACDA, the County of Los Angeles, or the City of Sierra Madre, who is in a decision-making capacity in connection with the administration of the Program. No member of the above organizations shall have any interest, direct or indirect, in the proceeds from the Program grant, or in any contract entered into by the applicant for the performance of the work, financed, in whole or in part, with the proceeds of the grant.

C. Disclosure of Information

The City is a public agency and information or records (with the exception of financial diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice to such contractor. The City shall assist the homeowner in completing the necessary termination document as needed. No further rehabilitation is to commence until the Request for Substitution of Contractor and Termination of Contract Form, releasing the original contractor from his/her contractual obligations, is on file at the City, and a new contract is signed between the substitute contractor and the homeowner(s). The City shall advise the LACDA of any problems in the resolution of the substitution of contractor.

D. Equal Opportunity Policy

The City shall not discriminate based upon sex, age, race, creed, color, religion, national origin, marital status, ancestry, or physical disability in the awarding of the contract for rehabilitation of property assisted by a Program grant.

E. Fire and Flood Insurance Requirements

Applicants are obligated to carry sufficient fire insurance coverage (and flood insurance where applicable) on the property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount, which is equivalent to the value of the dwelling including rehabilitation improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance. This requirement may be waived for emergency repairs, at the discretion of the City Manager.

F. Lead Hazard

Federal law requires that all homes receiving Federal assistance for housing rehabilitation programs must comply with Lead Based Paint Hazard Reduction laws. Housing built prior to 1978 will be inspected for lead paint and lead hazards in compliance with applicable Federal regulations.

Lead-Safe Housing Rule (LSHR) Requirements stipulates that depending on the nature of work and the dollar amount of federal investment in the property, certain requirements must be complied with in handling lead-based paint. For implementation purposes of this program, adherence to LSHR under Subpart J shall apply.

For structures deemed subject to these Federal requirements, all lead-based paint hazards must be removed, and proper clearances must be provided prior to occupancy of areas where work has been done, per Federal regulations. Prior to disturbance, remodeling or demolition activities, surfaces and/or materials will be sampled and/or abated by a certified, licensed lead professional.

The owner and occupants will receive notices per regulatory requirements. An affidavit confirming that the applicant has received, reviewed, and understands the hazards of lead-based paints and asbestos will be placed in the participant file.

G. Historic Preservation

In order to comply with Section IV.A.6, National Historic Preservation Act of 1966 as amended (16 U.S.C. 470) and LACDA guidelines, the Program consultant shall prepare a Basic Property Identification Form for each structure to be improved. When the subject structure is determined to be fifty (50) years old or older, such form shall be accompanied by a set of four (4) photos and shall be submitted to the LACDA for review and clearance.

Rehabilitation projects shall comply with the provisions of the Historic Preservation ordinance of the Sierra Madre Municipal Code. Subject properties constructed (75) years or more prior to the date of the application for review shall be accompanied by Historic Resource Evaluation Report if any exterior work is to be constructed.

H. Substitution of Contractor

In the event that the selected contractor shall fail or refuse to complete the work in a professional and workmanlike manner as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice to such contractor. The City shall assist the homeowner in completing the necessary termination document as needed. No further rehabilitation is to commence until the Request for Substitution of Contractor and Termination of Contract Form, releasing the original contractor from his/her contractual obligations, is on file at the City, and a new contract is signed between the substitute contractor and the homeowner(s). The City shall advise the LACDA of any problems in the resolution of the substitution of contractor.

- 1. Non-Commencement by Original Contractor.** The City shall notify the LACDA by means of a Request for Substitution of Contractor and Termination of Contract Form, that the original contractor will not be performing the rehabilitation and the reason(s) for which a substitution of contractor is being requested. Both the homeowner(s) and the original contractor's signatures are required on this document. The property owner shall obtain a substitute contractor willing to perform the rehabilitation, and, to the extent possible, negotiate the total contract price with the new contractor to assure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed.

Noncompliance by Original Contractor. The City shall inspect the job and compile a list of incomplete or unacceptable items to determine the extent of work to be completed by the substitute contractor. The City shall notify the LACDA in writing that the original contractor has not performed according to the Rehabilitation Construction Contract and

list the initial steps taken by the City to resolve the problem. A meeting shall be held between the City, homeowner(s) and the original contractor to establish a method of contractor payment and prepare an official Request for Substitution of Contractor Form signed by both homeowner(s) and the contractor. Funds withheld from the original contractor shall be delineated on the form. Lien releases and invoices from the original contractor and subcontractor(s) must be provided by the contractor. The City shall prepare a revised Work Write-up, based upon the City's inspection findings, which contains only those items necessary to complete the job. The City shall obtain a substitute contractor willing to perform such work, and, to the extent possible, negotiate the total contract price with the new contractor to assure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by the City and appropriately signed.

I. Davis-Bacon Requirements

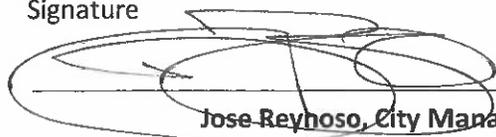
In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of residential property if such property contains eight (8) units or more. **Therefore, Davis-Bacon does not apply to this program.**

J. Section 3

Section 3 requirements apply to contracts of \$200,000 or more. **Due to the Program's maximum grant amount of \$17,255, Section 3 does not apply to this program.**

VI. Amendments

Amendments to these guidelines may be made from time to time by the City. Authority to modify elements of the guidelines shall be vested with the City Manager, in compliance with Federal and LACDA Regulations and requirements.

Signature 

Jose Reynoso, City Manager

Date 9/4/2024