



CITY OF GARDEN GROVE

HOME REPAIR PROGRAM GUIDELINES



GARDEN GROVE

(Updated 6/25/20)

1. PROGRAM SUMMARY

The City of Garden Grove's (City) Home Repair Program (Program) is designed to increase, improve, and preserve affordable housing through the use of federal Community Development Block Grant (CDBG) funds. The Program provides grants of up to \$5,000 for eligible home repairs to low- and moderate-income homeowners at or below 80% of the Area Median Income (AMI) as defined by the Department of Housing and Urban Development (HUD). Eligible activities include the repair, replacement, and/or installation of major systems including plumbing, heating, electrical, windows, roof, paint, and handicap accessibility.

2. ASSISTANCE TYPE

The Program utilizes CDBG funds to provide eligible households with grants to repair, replace, and/or install major systems of the home. Upon approval of a property owner's application for funding, the City shall provide a grant of up to \$5,000 per household to pay for the rehabilitation work. There is a limit of one Program grant every 5 years per eligible homeowner(s).

- CDBG funds shall be provided to pay for actual construction costs and eligible project soft costs only.
- The maximum amount of CDBG assistance under the Program shall be up to \$5,000 per household to pay for the rehabilitation work.
- The actual amount of CDBG assistance to be provided to a project shall be determined by both the bid amount and maximum grant amount of allowable CDBG assistance under the program.

3. AFFIRMATIVE MARKETING/FAIR HOUSING PROCEDURES

The City shall ensure that all property owners within the City are notified of program availability, their eligibility to participate (providing that they meet eligibility criteria), and application procedures. Such notification will include a Press Release and publication on the City's Web Page.

The City shall market grant programs to low-income and non-English speaking people, and shall ensure that bilingual materials are available for homeowners. In addition, the City shall ensure that bilingual staff is available to assist property owners and help them understand all program and application materials and answer any questions.

4. SELECTION OF PROPERTIES

Properties eligible for the Program shall be owner-occupied properties located within the city boundaries of Garden Grove. Properties participating in the Program must be, and remain, the principal residence of the owner.

5. APPLICATION PROCEDURES

An application for participation in the Program is available on the City's Online Application Portal at <https://apply.ggcity.org/>. Submitted applications are date and time stamped to ensure the order of submission is documented. The homeowner will be required to submit verification of age, income, and ownership of the property. If additional information is requested, but not received within 30 days of receipt of the application, the application will be cancelled. The homeowner will be notified in writing of an application's cancellation.

The application must be completed in its entirety and submitted together with the following documentation:

- **Proof of Income** - The City shall use the definition of Annual Income as set forth in Part 5 under the Section 8 Rental Assistance Program at 24 CFR 5.609. Verification of personal income will include, but is not limited to, six (6) months of bank statements and federal income tax returns, if applicable, as well as assets. (Section 6 elaborates on these requirements).
- **Proof of ownership** - Copy of Grant Deed or Property Tax Bill.
- **Proof of identity** - Copy of Driver's License, California I.D., or Passport.
- **Scope of Work** - A prioritized and itemized list of the rehabilitation work requested to be performed.
- **Certifications** - Lead-Based Paint requirements and application information.

Staff shall place the property owner's name on a list of eligible applicants in order of receipt of a completed Application and above noted documentation. Acceptance of applications and subsequent approvals are on a first-come first-served basis.

Application approval is subject to funding availability.

6. SELECTION OF PROPERTY OWNERS/SCREENING PROCESS

Applicants for the Program will be accepted from eligible low-income single-family property owners located within the City of Garden Grove. Participating households will be selected from eligible applicants on a first-come, first served basis. Applicants will be qualified based on the information submitted in their application.

Each application filed with the City shall be time/date stamped, and processed in the order received. Staff will review applications for completeness and will verify property and income eligibility. Incomplete applications will not be processed until all requested information is submitted. Staff shall notify all ineligible applicants of their status by email and/or phone call.

The City requires that all households participating in the Program meet specific income limits as determined by HUD, based upon household size. HUD annually publishes income limits, which can be viewed online at <https://www.huduser.gov/portal/datasets/il.html>. As described under Part 5, Annual income is the gross amount of income that is anticipated to be received by all adult members of the household (18 years of age and over) during the twelve months following the effective date of determination. Income shall be verified utilizing third party verification, if necessary. All persons living in the housing unit shall be considered as household members for the purpose of determining income eligibility.

An applicant is considered ineligible if:

- (1) The applicant does not own a single-family home in Garden Grove.
- (2) The applicant does not reside in the unit.
- (3) The applicant is in violation of the CDBG Program conflict of interest provisions as described in 24 CFR 570.611.
- (4) The unit is occupied by a tenant household. Tenant-occupied units are not eligible for assistance.

7. METHOD OF DETERMINING AMOUNT OF CDBG ASSISTANCE

CDBG funds will be provided to undertake minor repairs, with a principal emphasis upon major systems of the home and addressing code violations. The amount of CDBG funds provided to an eligible project shall be established through the property inspection and cost estimate, as described below, and as permitted within the Program grant amount limits.

A. PROPERTY INSPECTIONS

The initial inspection will be conducted by a City Building Inspector based on the proposed Scope of Work submitted by the Applicant. Interim inspections will be conducted, as necessary, to monitor project progress. A final inspection will be performed prior to Program funds being disbursed.

B. FINALIZATION OF SCOPE OF WORK

The City's inspector will be responsible for inspecting the property to identify potential health and safety items, as well as owner requested repairs. Using

the Scope of Work submitted by the applicant as a foundation, the inspector will add comments and required specifications per federal, state, and local requirements. The inspector will submit, or cause to be submitted, a building permit identifying the project in the system as City-funded, regardless if a permit is actually required.

C. CONTRACTOR PROCEDURES

All rehabilitation under this Program will be performed by Habitat for Humanity of Orange County (Habitat). Upon completion of the initial inspection by the City inspector, Habitat will be provided the final Scope of Work (including City inspector's notes and specifications), for which a final work write-up will be created in coordination with the homeowner. Changes to the Scope of Work shall be approved by the City prior to commencement of work.

8. CALCULATION OF COST REASONABLE REVIEW

General cost reasonableness was determined during the review process undertaken to select Habitat as the preferred contractor for the Program. The following factors are used to determine the amount of assistance to be provided:

ELIGIBLE COSTS

A. Program funds are available for rehabilitation costs that correct substandard conditions, correct violations of local housing codes, and are physically attached to the property and permanent in nature, as follows:

1. Exterior work to help preserve or protect structures such as painting, roofing, siding, repair/replacement of screens/windows, doors and door locks.
2. Interior work to make a structure more livable and repair/replace/restore important parts such as leaking or clogged plumbing, faulty or inadequate heating systems, damaged ceilings, water heaters, electrical wiring, and painting.
3. Weatherization and energy conservation items such as insulation, caulking, weather stripping and window coverings.
4. Fumigation and treatment of termites and pest control.
5. Modifications which aid the mobility of the elderly and physically challenged such as, but not limited to; shower units with seats, lever hardware, retrofitting toilets to achieve adequate height, moving power points and light switches, ramping reconstructing doorways, lowering sinks in kitchens and bathrooms.

B. Materials used for the Program shall conform to the specifications designed by staff. If the owner-applicant does not approve of the materials to be used, the owner-applicant is responsible for additional costs to upgrade.

INELIGIBLE COSTS

A. Ineligible improvements include, but may not be limited to, the following:

1. Repair, purchase or installation of kitchen appliances which are designed and manufactured to be freestanding.
2. Recreational items such as barbecues, bathhouses, greenhouses, swimming pools, saunas, television antenna, and tennis courts.
3. Luxury items such as burglar alarms, burglar protection bars, dumbwaiters, kennels, murals, flower boxes, awnings, patios, decks, and storage sheds/workshops.

B. Providing assistance to a project assisted within the previous 5 years with the City's CDBG Program funds.

9. ENVIRONMENTAL REVIEW PROCESS

The City will periodically conduct a tiered Environmental Review (ER) pursuant to the 24 CFR 58.15 Agreement covering the Program as a whole. Staff is to complete a site-specific review whenever an individual grant application is received and before executing a Grant Agreement with a homeowner. Staff will complete a tiered review for each structure by reviewing the site specific issues (historic preservation, air quality, explosive/flammable operations, toxic substances, and airport clear zones), consulting if necessary with other agencies, documenting and implementing the mitigation of impacts as necessary and will keep all supporting documents in the ER as evidence of compliance.

10. EQUAL OPPORTUNITY

Program participants will be selected on a first-come, first-served basis. No person shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds. In addition, CDBG funds must be made available in accordance with all laws and regulations listed in 24 CFR Section 570.904.

11. LEAD-BASED PAINT (LBP)

The City will follow the requirements under 24 CFR Part 35.930(b), of the "HUD Lead Safe Housing Rule," for rehabilitation work not exceeding \$5,000. If the home was

built before 1978, the City will conduct paint testing to confirm or deny the presence of lead-based paint. If LBP is found, Habitat will implement safe work practices during rehabilitation, and the City will require clearance examination of the worksite. The following steps will be followed:

A. Provision of noticing and pamphlet

Applicable noticing of evaluation or presumption will be provided to the property owner and tenant within 15 days of receipt of the evaluation (lead-based paint test and clearance) report, and another notice within 15 days of hazard reduction activities, per §35.125(a), (b) & (c). Signed/dated verification of receipt will be obtained and kept on file. The requisite lead hazard information pamphlet: "Protect Your Family from Lead in Your Home", will also be provided to tenants and owners, with a signed/dated verification of receipt, per §35.130 and Subpart A of the Lead Safe Housing Rule.

B. Paint testing of surfaces to be disturbed

The City will test for the presence of lead based paint utilizing a licensed and certified lead-based paint inspector/risk assessor third party vendor for any painted surfaces expected to be disturbed.

C. Conduct safe work practices in repair

Safe work practices shall be followed, utilizing an appropriately trained contractor, in accordance with Section 35.1350 and any paint that is disturbed will be repaired.

D. Repair disturbed paint

E. Prepare Clearance Report

After completion of any repair to any painted surfaces disturbed during rehabilitation, the City shall conduct a clearance examination of the worksite, utilizing a licensed and certified lead-based paint inspector/risk assessor third party vendor, in accordance with Sec. 35.1340.

F. Notice to occupants

Implementing safe work practices and a clearance examination after the hazard reduction work will not be undertaken in the event that the disturbed paint surface does not contain LBP or the amount of LBP does not exceed de minimis amounts as set forth under 24 CFR 35.1350(d).

12. DEBARMENT AND SUSPENSION

As required, the City and property owner will comply with all contractor debarment and suspension certifications.

13. GRANT DOCUMENT PREPARATION

Upon completion of an internal review to determine applicant eligibility, City Staff will execute an Agreement of Understanding with the Grantee. The Agreement of Understanding ensures the applicant understands and agrees to the requirements for the program and officially awards the grant to the applicant.

14. CONSTRUCTION PROCEDURES

Upon full execution of the Agreement of Understanding by the affected property owners (which shall list work as described in the bid specifications), staff will issue Habitat a "Notice to Proceed" via email. At that time, Habitat will carry out the required work. It is estimated that work shall commence no later than twenty one (21) days from the date the property owner receives the "Notice to Proceed" and be completed no more than ninety (90) days after the start date.

Individual rehabilitation projects will be deemed completed subsequent to the receipt of Habitat's invoice, the Building Department's approval, and when the Certificate of Completion is signed by the homeowner.

15. CONSTRUCTION MANAGEMENT

The City's inspector shall be responsible for conducting initial and final inspections for participating properties. These inspections shall be performed to ensure adherence to work write-up, and the continued quality of all construction, including adherence to all building codes. All such inspections shall be conducted prior to the release of any progress payments (if applicable).

16. CONFLICT RESOLUTION

In the event that any dispute(s) between Habitat and the owner arises out of or in connection with provisions of the project, either one, or both, shall submit in writing the fact and nature of such disputes(s) to the City. Within thirty (30) days of such notice, Habitat and the owner shall either resolve the dispute on their own or shall seek a resolution of the dispute by written response from the City's CDBG Coordinator.

17. CONFLICT OF INTEREST

Any person who is an employee, agent or consultant of the City of Garden Grove who formulates policy or influences decisions or gains inside information with respect to

the Program and no public official or member of a governing body or state or local legislator who exercises a function or responsibility with respect to the Program shall have any direct or indirect interest in any housing unit assisted with Program funds, or in any proceeds or benefits arising from the Program.