



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** May 10, 2022

**TO:** Mayor and Council Members

**FROM:** Section 8, Housing, and Community Development Block Grant Department

**SUBJECT:** Fiscal Year 2022 Minor Home Repair Grant Program Implementation and Service Agreement with Habitat for Humanity of Greater Los Angeles

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### RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

1. Approve a one (1)-year Agreement (with the option to extend the Agreement in one (1)-year increments for a maximum of three (3) years, as funding is available) with Habitat for Humanity of Greater Los Angeles to administer the City's Minor Home Rehabilitation Program, in an annual amount not to exceed \$500,000 (Grant Funds); and
2. Adopt a resolution amending the Fiscal Year 2021-2022 Budget to increase Community Development Block Grant (CDBG) funds for the Minor Home Rehabilitation Program.

### BACKGROUND:

On July 24, 2018, the City Council approved the 2018-2019 Annual Action Plan (Plan), as required for Grantees of CDBG funds, regulated by the United States Department and Urban Development (HUD). In approving the Plan, the City allocated \$500,000 in grant funds for the Minor Home Rehabilitation Grant Program ("the Program") exclusively for qualifying City homeowners. The Program allows up to \$15,000 per qualifying household for minor home rehabilitation and repairs, such as painting, roofing, plumbing, heating, electrical system repairs, accessibility related items, window repair or replacement, and health and safety modifications and upgrades. To qualify for the Program, the applicants must be low-income City households with valid proof of income.

On February 5, 2019, the City released Request for Proposal (RFP) No. RFP-0128 to procure a qualified organization to administer the Program, which resulted in three respondents submitting proposals. The RFP indicated that the City was seeking an organization to provide the administrative and general contractor (class "B") services necessary to fully operate the Program. Of the three respondents, Habitat for Humanity of Greater Los Angeles (Habitat LA) was rated the highest after a panel evaluation of the three proposals.

On July 9, 2019, the City Council approved the guidelines for the Program and executed Agreement No. 19-236 with Habitat LA to administer the Program for the City of Inglewood, with the goal of rehabbing approximately 30 homes per year. The Agreement No. 19-236 had a term of July 9, 2019, through September 30, 2020, during which time, Habitat received 132 applications from City of Inglewood residents interested in receiving minor home rehabilitation. Habitat LA developed a waiting list of all residents who submitted an application and maintains the waiting list in order of the date and time the application was received.

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Prior to the Coronavirus (COVID-19) Pandemic (Pandemic), Habitat completed rehabilitation projects on four (4) homes and prepared the scope of work and contracts for additional homeowners. However, due to the COVID-19 Pandemic and the resulting stay-at-home orders that went into effect in April 2020, Habitat LA had to suspend most of the rehabilitation work slated to begin during the second half of the program year. In July 2020, some Pandemic restrictions were relaxed enough where the City agreed to allow only exterior projects to be completed during the Pandemic. Habitat LA resumed activity on projects requiring exterior work from those homes already slated to begin prior to the pandemic. Additional precautions and safety guidelines based on the Center for Disease Control (CDC) recommendations were in place, which included the following: remotely completing the application process with homeowners; daily sanitizing and disinfecting of work area(s), tools, equipment, and vehicles; maintaining social distancing; washing and/or sanitizing hands throughout the day; and wearing personal protective equipment. Even with the strict restrictions imposed by the effects of the Pandemic, Habitat LA successfully completed rehabilitation work on thirteen (13) homes for the City of Inglewood.

To provide the Program for residents and to reach the goal of rehabbing 30 homes per year, on February 23, 2021, the City released RFP-0161 to procure a qualified organization to administer the Program and general contractor services necessary to fully operate a six-month Minor Home Rehabilitation Program. Habitat LA was the only organization to submit a proposal. After thoroughly reviewing the proposal, Habitat LA was deemed to be highly qualified, experienced, and fully capable to operate and manage the Minor Home Rehabilitation Program for the City of Inglewood. The City entered into a six (6)-month agreement (Agreement No. 21-229) with Habitat LA, beginning August 24, 2021, through February 28, 2022, to rehabilitate approximately seventeen (17) homes from the existing waiting list, using unspent program funds from the previously expired Agreement. Due to variants of COVID-19, only exterior work was approved to be completed under Agreement No. 21-229. The six (6)-month agreement resulted in sixteen (16) homes being rehabilitated. Combined with the thirteen (13) homes that were previously completed, Habitat LA has successfully rehabilitated twenty-nine (29) homes for City of Inglewood residents since 2019.

**DISCUSSION:**

In its commitment to provide grants to qualified homeowners in need of assistance to rehabilitate their homes, on July 20, 2021, the City Council approved the 2021-2022 Annual Action Plan (Plan), as required for Grantees of CDBG funds. By approving the Plan, the City received authority to allocate CDBG funds for the Minor Home Rehabilitation Program with the goal to complete thirty (30) rehabilitation projects in a twelve (12)-month period.

On February 25, 2022, the City released a Request for Proposal (RFP) No. 0177 to procure a qualified organization to administer the Program. The RFP was posted on PlanetBids, a web-based bid and vendor management software serving hundreds of California public agencies, and proposals were due on March 17, 2022. Habitat LA submitted a well-prepared proposal and was the lone respondent.

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Once the Program and agreement are approved by City Council, City staff will work closely with Habitat LA to facilitate and oversee the success of the Program to fulfill the terms of the Agreement. Applicants will be selected from the initial waiting list established in 2019. To qualify, all applicants (regardless of their position on the waiting list) must complete the application process to determine continued eligibility for the Program. For some households, this may require submitting an updated application and documentation to certify eligibility.

Each household approved to receive rehabilitation service must have a total income that does not exceed eighty percent (80%) of the area median income. HUD updates the income limits on an annual basis. The current income limits below represent the Median Family Income (MFI) for Los Angeles-Long Beach-Glendale, Metropolitan Statistical Area (MSA). The MFI for the Los Angeles-Long Beach-Glendale MSA is \$91,100, as of April 18, 2022. The income limits below are based on household size:

**FY 2022-2023**

**HUD Housing Income Limits/Guidelines**

U.S. Department of Housing & Urban Development (HUD) Income Limits for the Los Angeles-Long Beach-Glendale, California Metropolitan Statistical Area (MSA):

**Effective Date: April 18, 2022**

<b>Household Size</b>	<b>Low (80%) Income Limits</b>
1 Person	\$66,750
2 Person	\$76,250
3 Person	\$85,800
4 Person	\$95,300
5 Person	\$102,950
6 Person	\$110,550
7 Person	\$118,200
8 Person	\$125,800

**Source:**

<https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

Staff anticipates having the option to extend this Agreement for another year, after evaluating the progress of the Program after six months.

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

There is no impact to the General Fund for the administration of the Program or to amend the Budget. Sufficient funds for the Minor Home Rehabilitation Program in the amount of \$500,000 are available in the City's CDBG fund balance in the United States Treasury CDBG account.

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Upon adoption of the attached resolution amending the Fiscal Year 2021-2022 Budget, funds will be transferred to Account Code No. 221.031.3156.45095.00 (HUD [CDBG] Fund Housing, Section 8, & CDBG – Capital Programs – Minor Home Rehabilitation Program), as shown in Exhibit A.

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment No. 1 - Agreement

Attachment No. 2 - Budget Resolution

**PREPARED BY:**

Roberto Chavez, HUD Programs Manager 

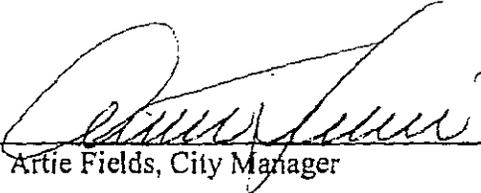
Lori Jones, Sr. Programs Specialist – Housing Programs 

**COUNCIL PRESENTER:**

Roberto Chavez, HUD Programs Manager

**APPROVAL VERIFICATION SHEET**

CITY MANAGER APPROVAL:



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Artie Fields, City Manager

# **ATTACHMENT NO. 1**

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**AGREEMENT NO.:** \_\_\_\_\_

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between the City of Inglewood, a municipal corporation and charter city (hereinafter referred to as “City” and/or “Grantee”) and the Habitat for Humanity of Greater Los Angeles, a nonprofit domestic corporation (hereinafter referred to as “Subrecipient”), with a California license number of C1665677, a Contractors State License Board of B907613, a California Public Works Registration number of 1000705071, a Federal Identification Number of 330416470, a Unique Entity Identifier of Number 826543472, and a business address of 8739 Artesia Boulevard, Bellflower, California 90706. This Agreement is subject to funding availability from the Grantee and the U.S. Department of Housing and Urban Development (“HUD”) under Federal Award Identification number B-18-MC-06-0520, Catalogue Federal Domestic Assistance (CFDA) number 14.218, Community Development Block Grant program for Entitlement Communities.

**RECITALS**

**WHEREAS**, Grantee has received funds from HUD pursuant to Title I of the Housing and Community Development Act of 1974, as amended (HCD), to address the community development needs of the Grantee, including fair housing issues; and

**WHEREAS**, Grantee has designated its Community Development Block Grant (CDBG) Division to administer and oversee projects utilizing these funds; and

**WHEREAS**, on July 20, 2021, the City Council approved its 2021-2022 Annual Action Plan allocating CDBG funds for the Minor Home Rehabilitation Program (“MHRP”); and

**WHEREAS**, the MHRP allows up to \$15,000 per qualifying household for minor home rehabilitation and repairs, such as painting, roofing, plumbing, heating, electrical system repairs, accessibility related items, window repair or replacement, and health and safety modifications and upgrades; and

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1           **WHEREAS**, the goal of the MHRP is to complete thirty (30) rehabilitation  
2 projects in a twelve-month period; and

3           **WHEREAS**, the City issued Request for Proposals (RFP-0177) seeking an  
4 organization to administer the MHRP, which was posted on PlanetBids from February  
5 25, 2022 through March 17, 2022; and

6           **WHEREAS**, Subrecipient submitted a well-prepared proposal and was the lone  
7 respondent; and

8           **WHEREAS**, Subrecipient has prior experience administering the City’s MHRP  
9 and has developed a wait list for the MHRP, established in 2019, from which applicant-  
10 households may be selected; and

11           **WHEREAS**, in order to qualify under CDBG requirements the MHRP applicants  
12 on the wait list must be extremely low-to low-income residents with proof of income;  
13 and

14           **WHEREAS**, Subrecipient has specialized in affordable housing construction and  
15 rehabilitation since 1990, and has built, renovated and repaired more than 1,000 homes  
16 in Los Angeles County; and

17           **WHEREAS**, the City wishes to engage the Subrecipient to provide its specialized  
18 services for the MHRP;

19           **NOW, THEREFORE**, City and Subrecipient (individually referred to as the  
20 “Party” or collectively referred to as the “Parties”) agree to the following:

21 **1. Scope of Work**

22           A.     Activities.     The Subrecipient will be responsible for administering the  
23 City’s Minor Home Repair Program in a manner satisfactory to the Grantee and  
24 consistent with any and all standards required as a condition of providing these CDBG  
25 funds. The City’s grant of CDBG funds to Subrecipient shall be used to provide the  
26 specific work and services as described in Exhibit 1 “Program Guidelines” as adopted by  
27 the City; and Exhibit 2 RFP-0177, and Exhibit 3 Subrecipient’s Proposal dated March 4,  
28 2022. Each Exhibit is incorporated herein by this reference as if set forth in full. In the

1 event of ambiguity, conflict, or inconsistent language, the order of precedence shall be  
2 the following documents, in descending order:

- 3 i. Change orders and amended agreements (whichever occurs last);
- 4 ii. This Agreement;
- 5 iii. Exhibit 1 – City’s Program Guidelines;
- 6 iv. Exhibit 2 – RFP-0177
- 7 v. Exhibit 3 – Subrecipient’s March 4, 2022 Proposal.

8 B. National Objectives. All activities funded with CDBG funds must meet  
9 one of the CDBG program’s National Objectives: 1) benefit extremely low-to low-  
10 income persons; 2) aid in the prevention or elimination of slums or blight; or 3) meet  
11 community development needs having a particular urgency, as defined in 24 C.F.R. §  
12 570.208.

13 C. Meeting the National Objectives. The Subrecipient certifies that the  
14 activity (or activities) carried out under this Agreement will meet the National  
15 Objectives of extremely low-to low-income benefit housing where single-family  
16 dwellings must be occupied by extremely low-to low-income households.

17 D. Levels of Accomplishment, Goals and Performance Measures. The  
18 Subrecipient shall provide levels of program services to qualified applicants and based  
19 upon funding availability as reflected in the Program Guidelines. The City will monitor  
20 the performance of the Subrecipient against goals and performance standards as stated in  
21 this Agreement. Substandard performance as determined by the City will constitute  
22 noncompliance with this Agreement.

23 E. Staffing and Personnel. Any change in the staffing or key personnel  
24 assigned, pursuant to this Agreement is subject to the prior approval of the City.

25 F. The City’s grant of CDBG funds to Subrecipient shall be used to provide  
26 the specific eligible activities as described in the Program Guidelines.

27 G. Program Guidelines. The Subrecipient shall follow the Program  
28 Guidelines.

1 **2. Time of Performance.**

2 A. **Term of Agreement.** Subject to the suspension and termination  
3 provisions herein, the term of this Agreement is for one year commencing from the date  
4 first indicated above, provided, however, Subrecipient shall be obligated to perform such  
5 duties as would normally extend beyond this term, including but not limited to  
6 obligations with respect to indemnification, audits, reporting, data retention/reporting,  
7 and accounting. This Agreement may be extended by mutual written consent of the  
8 parties in one-year increments for up to three years, contingent upon the City receiving  
9 additional HUD funds to continue the MHRP.

10 **3. Payment.**

11 A. **Amount of Grant and Disbursement.** Subject to funding availability from  
12 HUD, the maximum not-to-exceed amount available for Subrecipient's use pursuant to  
13 this Agreement is Five Hundred Thousand Dollars (\$500,000, CDBG Funds) and such  
14 funds shall be expended by Subrecipient within a time period not exceeding twelve  
15 months. The aforementioned maximum funding shall be used, to the extent from HUD,  
16 as follows:

17 i. City shall pay Subrecipient in the ordinary course of City's business  
18 a not-to-exceed amount of Seventeen Thousand Two Hundred and Fifty Dollars  
19 (\$17,250) per completed project (up to \$15,000 for project cost plus up to \$2,250 for  
20 administrative costs).

21 ii. Notwithstanding the aforementioned not-to-exceed amount of  
22 \$17,250, the City may, in its sole discretion and for critical safety repair projects only,  
23 grant a not-to-exceed amount of \$28,750 per completed project (up to \$25,000 for  
24 project costs plus up to \$3,750 for administrative costs). If a critical repair  
25 determination is made, the City shall make such determination in writing.

26 iii. Subrecipient understands and agrees that the City:

27 (a) Shall pay Subrecipient in the ordinary course of City's  
28 business; and

1 (b) Will use its best efforts to avoid all unnecessary delays in  
2 processing Subrecipient's invoices for completed projects.

3 iv. Reimbursement will be based on completed projects only.

4 B. Invoice Submittal. Concurrently with the submittal of each completed  
5 project, Subrecipient shall submit both (1) an original invoice; and (2) true copies of  
6 other receipts, agreements, or other documentation supporting and evidencing how the  
7 CDBG funds have been expended for each completed project. Reimbursement for staff  
8 salary, shall be evidenced by copies of the time card(s) or other satisfactory evidence of  
9 employment of the subject staff member with the Subrecipient. The invoice for each  
10 completed project submitted shall also include an itemized list of the work completed  
11 per property, with a breakdown of the fees.

12 C. Prohibition of Expending CDBG funds to Obtain other Funding.  
13 Subrecipient shall, in no event, expend CDBG funds granted hereunder to fund another  
14 service provided, to pay a contractor for services outside of the scope of this Agreement,  
15 to apply for other public agencies' program funds, or to supplant another funding source,  
16 unless expressly approved by the City.

17 D. Sole Source of Funding is CDBG Funds. The Subrecipient expressly  
18 acknowledges and agrees that the sole source of funding available to the City to meet its  
19 funding obligation to Subrecipient under this Agreement is from CDBG funds allocated  
20 to and paid to the City by HUD and that no other source of revenues or funding is made  
21 available, offered, or construed to be provided hereunder by City to Subrecipient. To the  
22 extent City is not allocated or does not receive from HUD the CDBG funds necessary to  
23 pay Subrecipient pursuant to the terms of this Agreement, then Subrecipient  
24 acknowledges and agrees there is no other funding source available or committed to  
25 meet the City's funding described hereunder and no payment obligation of the City shall  
26 exist or be construed to exist.

27 E. No Disposition of Assets Acquired with CDBG Funds. Subrecipient shall  
28 not dispose of any real or personal property acquired in full or in part with CDBG funds

1 through sale, use or relocation without the express and prior written permission of the  
2 City.

3 F. Disbursement Pursuant to Agreement. Subrecipient acknowledges that the  
4 City shall disburse funds to Subrecipient only upon execution of this Agreement and  
5 City is empowered to provide funds to Subrecipient only pursuant to the provisions of  
6 this Agreement.

7 G. Coalition and Collaboration Subrecipient. CDBG funds allocated to  
8 coalition and collaboration Subrecipients (including Subrecipient, if applicable) must  
9 establish an additional reporting system to report services provided to eligible persons or  
10 households under the auspices of their combined program efforts. This additional  
11 reporting system must include the names, income, ethnicity, age, and head of household  
12 information of assisted persons or households. Additionally, the reporting system must  
13 describe the services provided by each coalition or collaboration Subrecipient to  
14 individual persons or households, and the end result of the combined services.

15 H. Program Income. The Subrecipient shall report, on a quarterly basis, all  
16 program income (as defined at 24 C.F.R. § 570.500 (a)) generated by activities carried  
17 out with CDBG funds made available under this Agreement. The use of program  
18 income by the Subrecipient shall comply with the requirements set forth at 24 C.F.R. §  
19 570.504. By way of further limitations, the Subrecipient may use such income during the  
20 Agreement period for activities permitted under this Agreement and shall reduce  
21 requests for, additional funds by the amount of any such program income balances on  
22 hand. All unexpended program income shall be returned to the City at the end of the  
23 Agreement period. Any interest earned on cash advances from the U.S. Treasury and  
24 from funds held in a revolving fund account is not program income and shall be remitted  
25 promptly to the City.

26 I. Quarterly and Year-end Reports shall include:

27 The Subrecipient shall prepare and submit the following reports detailing the  
28 expenditure of funds, services rendered, and any income generated:

1           i.       **Quarterly Reports**-on or before January 15, April 15, July 15 and  
2 October 15. The reports will be due 15 days after each fiscal quarter;

3           ii.       **Fiscal Year Housing Rehabilitation End of Year Stats Report**-  
4 on or before October 30 of each year. This will be 30 days after the fiscal year end of  
5 September 30<sup>th</sup>.

6           iii.       All reports shall be prepared in the form provided in Exhibit 1.

7           J.       **Prohibition of Subrecipient Income from CDBG Funds.** Subrecipient  
8 agrees that it shall not use CDBG funds in any manner which shall provide income to  
9 Subrecipient. Any earned interest income on funds generated through the use of  
10 investment of funds received from CDBG shall be cause, at the discretion of the City,  
11 for recapture of such income and/or the full amount of funds originally granted to  
12 Subrecipient.

13           K.       **Indirect Costs.** If indirect costs not reflected in the "Scope of Work -  
14 Program Budget" are charged, the Subrecipient will develop an indirect cost allocation  
15 plan for determining the Subrecipient's appropriate share of administrative costs and  
16 shall submit such plan to the City for approval, in a form specified by the City.

17           L.       The City reserves the right to liquidate funds available under this  
18 Agreement for costs incurred by the City on behalf of the Subrecipient.

19           M.       **Progress Reports.** The Subrecipient shall submit regular Progress Reports  
20 to the City in the form, content, and frequency as required by the City.

21 **4. Financial Management.**

22           A.       **Accounting Standards.** The Subrecipient agrees to comply with 2 C.F.R.  
23 Part 200, Subpart D, "Post Federal Award Requirements," as applicable and agrees to  
24 adhere to the accounting principles and procedures required therein, utilize adequate  
25 internal controls, and maintain necessary source documentation for all costs incurred.

26           B.       **Cost Principles.** The Subrecipient shall administer its program in  
27 conformance with 2 C.F.R. Part 200, Subpart E, "Cost Principles," as applicable. These  
28 principles shall be applied for all costs incurred whether charged on a direct or indirect

1 basis.

2 C. Separation of Accounts. All CDBG funds received by Subrecipient from  
3 City pursuant to this Agreement shall be maintained in an account in a federally insured  
4 banking or savings and loan institution with record keeping of such accounts maintained  
5 pursuant to applicable 2 C.F.R. Part 200 requirements. The Subrecipient is not required  
6 to maintain separate depository accounts for CDBG funds, provided however, the  
7 Subrecipient must be able to account for receipt, obligation and expenditure of CDBG  
8 funds pursuant to applicable 2 C.F.R. Part 200 requirements.

9 **5. Documentation and Record Keeping.**

10 A. Records to be Maintained. The Subrecipient shall maintain all records  
11 required by the Federal regulations specified in 24 C.F.R. § 570.506 and 2 C.F.R. Part  
12 200, Subpart D that are pertinent to the activities to be funded under this Agreement.  
13 Such records shall include, but not be limited to:

- 14 i. Records providing a full description of each activity undertaken;
- 15 Records demonstrating that each activity undertaken meets one of the National  
16 Objectives of the CDBG program;
- 17 ii. Records required to determine the eligibility of activities;
- 18 iii. Records required to document the acquisition, improvement, use or  
19 disposition of real property acquired or improved with CDBG assistance;
- 20 iv. Records documenting compliance with the fair housing and equal  
21 opportunity components of the CDBG program;
- 22 v. Financial records as required by 24 C.F.R. § 570 and 2 C.F.R. Part  
23 200; and
- 24 vi. Other records necessary to document compliance with Subpart K of  
25 24 C.F.R. Part 570.

26 B. Other Records to be maintained. Documentation evidencing the income  
27 level of persons and/or families participating in or benefiting by the Subrecipient  
28 program, including, but not limited to:

1           i.     Documentation of the number of persons and/or families  
2 participating in or benefiting by the Subrecipient program.

3           ii.    Household information shall include number of persons,  
4 identification of head of household, race/ethnicity, disability, age of children, seniors,  
5 income verification.

6           iii.   Documentation of all CDBG funds received from City.

7           iv.    Documentation of expenses as identified in the Budget Proposal,  
8 including evidence of incurring the expense, invoice(s) for goods or services, all other  
9 invoices for which CDBG funds were expended, and payment therefore.

10          v.     Any such other related records as CITY shall reasonably require or  
11 as required to be maintained pursuant to the CDBG regulations.

12         C.     Retention.

13           i.     The Subrecipient shall retain all financial records, supporting  
14 documents, statistical records, accounting records, reports, and evidence pertaining to all  
15 costs, expenses and the CDBG funds of Subrecipient and all other records pertinent to  
16 the Agreement for a period of five (5) years. The retention period begins on the date of  
17 the submission of the City's annual performance and evaluation report to HUD in which  
18 the activities assisted under the Agreement are reported on for the final time.

19           ii.    Notwithstanding the above, if there is: a) any litigation, claims,  
20 audits, administrative proceeding, negotiation or other action arising out of the  
21 performance of this Agreement; or b) costs and expenses of this Agreement to which  
22 City or any other governmental agency takes exception, that involve any of the records  
23 cited and that have started before the expiration of the five-year period, then such  
24 records must be retained until completion of the actions and resolution of all issues or  
25 disposition of such appeals, litigation claims, or exceptions, or the expiration of the five-  
26 year period, whichever occurs later. All files shall be turned over to the City at the  
27 City's request at any point and before any files are discarded.

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1           D.     Client Data. The Subrecipient shall maintain client data demonstrating  
2 client eligibility for services provided. Such data shall include, but not be limited to,  
3 client name, address, income level or other basis for determining eligibility, and  
4 description of service provided. Such information shall be made available to City  
5 monitors or their designees for review upon request.

6           E.     Disclosure. The Subrecipient understands that client information collected  
7 under this Agreement is private and the use or disclosure of such information, when not  
8 directly connected with the administration of the City's or Subrecipient's responsibilities  
9 with respect to services provided under this Agreement, is prohibited unless written  
10 consent is obtained from such person receiving service and, in the case of a minor, that  
11 of a responsible parent/guardian.

12           F.     Audits & Inspections. All Subrecipient records, including books, records,  
13 reports, documents, and papers, with respect to any matters covered by this Agreement  
14 shall be made available to the City, grantor agency, and the United States Government  
15 and/or their representatives, at any time during normal business hours, as often as  
16 deemed necessary, to audit, examine, monitor and make excerpts or transcripts of all  
17 relevant data. Any deficiencies noted in audit reports must be fully cleared by the  
18 Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient  
19 to comply with the above audit requirements will constitute a violation of this  
20 Agreement and may result in the withholding of future payments. The Subrecipient  
21 hereby agrees to have an annual agency audit conducted in accordance with 2 C.F.R.  
22 Part 200, Subpart F, "Audit Requirements." City shall include an audit of the records  
23 and accounts maintained by Subrecipient pursuant to this Agreement in City's annual  
24 audit of all CDBG funds pursuant to CDBG regulations, Title 24 of the Code of Federal  
25 Regulations, and other applicable federal laws and regulations.

26           G.     Monitoring. City and the United States Government and/or their  
27 representatives shall also schedule on site monitoring at their discretion. Monitoring  
28 activities may also include, but are not limited to, questioning employees and

1 participants in said program and entering any premises or any site in which any of the  
2 services or activities funded hereunder are conducted or in which any of the records of  
3 Subrecipient are kept. Nothing herein shall be construed to require access to any  
4 privileged or confidential information as set forth in federal or state law.

5 H. Failure to Provide Records. In the event Subrecipient does not make the  
6 above-referenced records available within the City of Inglewood, California,  
7 Subrecipient agrees to pay all necessary and reasonable expenses incurred by City in  
8 conducting any audit at the location where said records and books of account are  
9 maintained.

10 **6. Procurement.**

11 A. Inventory. The Subrecipient shall maintain inventory records of all non-  
12 expendable personal property that is procured with funds provided herein. All program  
13 assets (unexpended program income, property, equipment, etc.) shall revert to the City in  
14 accordance with the provisions of this Agreement.

15 B. OMB Standards. Unless specified otherwise within this Agreement, the  
16 Subrecipient shall procure all materials, property, or services in accordance with the  
17 requirements of 2 C.F.R. Part 200, Subpart D §§ 200.317—200.326.

18 **7. Use and Reversion of Assets.** The use and disposition of real property and  
19 equipment under this Agreement shall be in compliance with the requirements of 2  
20 C.F.R. Part 200, Subpart D and 24 C.F.R. §§ 570.502, 570.503, and 570.504, as  
21 applicable, which include but are not limited to the following:

22 A. The Subrecipient shall transfer to the City any CDBG funds on hand and  
23 any accounts receivable attributable to the use of funds under this Agreement at the time  
24 of expiration, cancellation, or termination.

25 B. Real property under the Subrecipient's control that was acquired or  
26 improved, in whole or in part, with funds under this Agreement in excess of \$25,000  
27 shall be used to meet one of the CDBG National Objectives pursuant to 24 C.F.R. §  
28 570.208 until five (5) years after expiration of this Agreement [or such longer period of

1 time as the City deems appropriate]. If the Subrecipient fails to use CDBG-assisted real  
2 property in a manner that meets a CDBG National Objective for the prescribed period of  
3 time, the Subrecipient shall pay the CITY an amount equal to the current fair market  
4 value of the property less any portion of the value attributable to expenditures of non-  
5 CDBG funds for acquisition of, or improvement to, the property. Such payment shall  
6 constitute program income to the City. The Subrecipient may retain real property  
7 acquired or improved under this Agreement after the expiration of the five-year period  
8 [or such longer period of time as the City deems appropriate].

9 C. In all cases in which equipment acquired, in whole or in part, with funds  
10 under this Agreement is sold, the proceeds shall be program income (prorated to reflect  
11 the extent that funds received under this Agreement were used to acquire the  
12 equipment). Equipment not needed by the Subrecipient for activities under this  
13 Agreement shall be (a) transferred to the City for the CDBG program or (b) retained  
14 after compensating the City [an amount equal to the current fair market value of the  
15 equipment less the percentage of non-CDBG funds used to acquire the equipment].

16 D. In furtherance of the foregoing, if City selects continued use of the capital  
17 asset, then Subrecipient hereby agrees that it shall be subject to an ongoing operating  
18 and use covenant relating to the subject real or personal property. The foregoing  
19 covenant shall survive the termination or expiration of this Agreement and shall be  
20 actionable at law or in equity by City against Subrecipient and its successors in interest.

21 **8. Relocation, Real Property Acquisition and One-For-One Housing**  
22 **Replacement.** The Subrecipient agrees to comply with: (a) the Uniform Relocation  
23 Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and  
24 implementing regulations at 49 C.F.R. Part 24 and 24 C.F.R. § 570.606(b); (b) the  
25 requirements of 24 C.F.R. § 570.606(c) governing the Residential Anti-displacement  
26 and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the  
27 requirements in 24 C.F.R. § 570.606(d) governing optional relocation policies. The City  
28 may preempt the optional policies. The Subrecipient shall provide relocation assistance

1 to displaced persons as defined by 24 C.F.R. § 570.606(b)(2) that are displaced as a  
2 direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted  
3 project. The Subrecipient also agrees to comply with applicable City ordinances,  
4 resolutions and policies concerning the displacement of persons from their residences.

5 **9. Notices.**

6 A. Notices required by this Agreement shall be in writing and delivered via  
7 mail (postage prepaid), commercial courier, or personal delivery. Any notice mailed  
8 pursuant to this Agreement shall be effective five (5) days after deposit of the same in  
9 the custody of the United States Postal Service, properly addressed, with postage prepaid  
10 and return receipt requested. Any notice personally delivered shall be deemed effective  
11 on the date personally delivered. All notices and other written communications under  
12 this Agreement shall be addressed to the individuals in the capacities indicated below,  
13 unless otherwise modified by subsequent written notice.

14 B. Notice to the:

15 <u>CITY OF INGLEWOOD</u>	<u>SUBRECIPIENT</u>
16 Aishal L. Thompson	Erin Rank
17 City Clerk	President & CEO
18 City of Inglewood	Habitat for Humanity of Greater
19 1 W. Manchester Blvd.	Los Angeles
20 Inglewood, CA 90301	8739 Artesia Blvd.
21	Bellflower, CA 90706

22 CITY WITH COPY TO:

23 David Esparza  
24 Assistant City Manager/CFO  
25 City of Inglewood  
26 1 W. Manchester Blvd.  
27 Inglewood, CA 90301

28 ///

1 **10. General Compliance.**

2 A. The Subrecipient agrees to comply with the requirements of Title 24 of the  
3 Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development  
4 regulations concerning Community Development Block Grants (CDBG)) including  
5 Subpart K of these regulations, except that (1) the Subrecipient does not assume the  
6 environmental responsibilities described in 24 C.F.R. § 570.604 that are applicable to  
7 the CITY; and (2) the Subrecipient does not assume the CITY's responsibility for  
8 initiating the review process under the provisions of 24 C.F.R. Part 52. The Subrecipient  
9 also agrees to comply with all other applicable Federal, state and local laws, regulations,  
10 and policies governing the funds provided under this Agreement. The Subrecipient  
11 further agrees to utilize funds available under this Agreement to supplement rather than  
12 supplant funds otherwise available.

13 B. The Subrecipient shall comply with applicable uniform administrative  
14 requirements as described in 24 C.F.R. § 570.502.

15 C. Subrecipient agrees to comply fully with all applicable federal, state, and  
16 local laws, ordinances, regulations, and permits, including but not limited to all CDBG  
17 regulations relating to financial and contractual procedures, and C.F.R. Super Circular  
18 set forth at 2 C.F.R. Part 200, which consolidates, streamlines, and updates eight (8)  
19 OMB Circulars and Guides into one document. Said Federal documents are on file in  
20 the City of Inglewood, One West Manchester Boulevard, California 90301, and are  
21 incorporated herein by reference.

22 D. The Subrecipient shall maintain all presently required permits and shall  
23 secure any new permits required by authorities herein with jurisdiction over the work,  
24 project, or services provided by Subrecipient with the CDBG funds.

25 E. Subrecipient agrees to obtain and maintain all licenses, registrations,  
26 accreditation and inspections from all agencies governing its operations. Subrecipient  
27 shall insure that its staff shall also obtain and maintain all required licenses,  
28 registrations, accreditations, and inspections from all agencies governing Subrecipient's

1 operations and work hereunder.

2 F. The Subrecipient shall ensure that the requirements of the National  
3 Environmental Policy Act are met for any permits, discretionary approvals, or other  
4 entitlement required to carry out the terms of this Agreement.

5 G. City Recognition. The Subrecipient shall insure recognition of the role of  
6 the City in providing services through this Agreement. All activities, facilities and items  
7 utilized pursuant to this Agreement shall be prominently labeled as to funding source. In  
8 addition, the Subrecipient will include a reference to the support provided herein in all  
9 publications made possible with funds made available under this Agreement.

10 H. Drug-Free Work Place Policy. Subrecipient, upon notification of contract  
11 award, shall establish a Drug-Free Awareness Program to inform employees of the  
12 dangers of drug abuse in the work place, the penalties that may be imposed upon  
13 employees for drug abuse violations occurring in the work place, and the employee  
14 assistance programs available to employees. Each employee engaged in the  
15 performance of a Subrecipient contract must be notified of this Drug-Free Awareness  
16 Program, and must abide by its terms.

17 **11. Independent Contractor.** Nothing contained in this Agreement is intended to, or  
18 shall be construed in any manner, as creating or establishing an employer-employee  
19 relationship between the Parties. The Subrecipient shall at all times remain an  
20 independent contractor with respect to the services to be performed under this  
21 Agreement. The City shall be exempt from payment of all Unemployment  
22 Compensation, FICA, retirement, life and/or medical insurance and Workers'  
23 Compensation Insurance, as the Subrecipient is an independent contractor.

24 **12. Indemnification.**

25 A. Subrecipient agrees to indemnify, hold harmless and defend the City, its  
26 City Council, and each member thereof, and every officer, employee, representative or  
27 agent of City, from any and all liability, claims, demands, actions, damages (whether in  
28 contract or tort, including personal injury, death at any time, or property damage), costs

1 and financial loss, including attorney fees and all costs and expenses and fees of  
2 litigation or arbitration, that arise directly or indirectly from any acts or omissions  
3 related to this Agreement performed by Subrecipient or its agents, employees,  
4 subconsultants, consultants and other persons acting on Subrecipient behalf except  
5 where caused by the active negligence, sole negligence, or willful misconduct of the  
6 City. If any action or proceeding is brought against City by reason of any of the matters  
7 against which Subrecipient has agreed to indemnify the City as provided above,  
8 Subrecipient, upon notice from the City, shall defend the City at Subrecipient's expense  
9 by counsel acceptable to the City, such acceptance not to be unreasonably withheld. The  
10 City need not have first paid for any of the matters to which the City is entitled to  
11 indemnification in order to be so indemnified. The insurance required to be maintained  
12 by the Subrecipient under this paragraph shall ensure Subrecipient's obligations under  
13 this section, but the limits of such insurance shall not limit the liability of the  
14 Subrecipient hereunder. The provisions of this paragraph shall survive the expiration or  
15 earlier termination of this Agreement.

16 B. Subrecipient's obligation to defend shall arise when a claim, demand or  
17 action is made or filed, whether or not such claim, demand or action results in a  
18 determination of liability or damages as to which Subrecipient is obligated to indemnify  
19 and hold harmless.

20 **13. Insurance.**

21 A. Subrecipient shall procure and maintain for the duration of the contract  
22 insurance against claims for injuries to persons or damages to property, which may arise  
23 from or in connection with the performance of the work hereunder by the Subrecipient,  
24 its agents, representatives, employees, or subcontractors. The cost of such insurance  
25 shall be borne by the Subrecipient. Failure to maintain or renew coverage or to provide  
26 evidence of renewal may be treated by City as a material breach of the contract.

27 B. Minimum Scope of Coverage. Coverage shall be at least as broad as  
28 indicated below:

1           i.       **Commercial General Liability (CGL):** Insurance Services Office  
2 Form CG 00 01 covering CGL on an “occurrence” basis, including products and  
3 completed operations, property damage, bodily injury and personal & advertising injury  
4 with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies,  
5 either the general aggregate limit shall apply separately to this project/location (ISO CG  
6 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence  
7 limit.

8           ii.       **Automobile Liability:** Insurance Services Office Form Number  
9 CA 0001 Code 1 (any auto), or if Subrecipient has no owned autos, Code 8 (hired) and 9  
10 (non-owned), with limit no less than **\$2,000,000** per accident for bodily injury and  
11 property damage.

12           iii.       **Workers’ Compensation** insurance as required by the State of  
13 California, with Statutory Limits, and Employer’s Liability Insurance with limit no less  
14 than **\$1,000,000** per accident for bodily injury or disease.

15           If the Subrecipient maintains broader coverage and/or higher limits than the  
16 minimums shown above, then City requires and shall be entitle to the broader coverage  
17 and/or higher limits maintained by the Subrecipient. Any available insurance proceeds  
18 in excess of the specified minimum limits of insurance and coverage shall be available  
19 to the City.

20           D.       **Deductions and Self-Insured Retentions.** Any deductibles or self-insured  
21 retentions must be declared to and approved by the Inglewood City Attorney’s Office.  
22 At the option of the City, either the insurer shall reduce or eliminate such deductibles or  
23 self-insured retentions with respects to the City, its officers, officials, employees and  
24 volunteers; or the Subrecipient shall provide a financial guarantee satisfactory to the  
25 Inglewood City Attorney’s Office guaranteeing payment of losses, investigations, claims  
26 administration, and defense expenses.

27           E.       **Other Insurance Provisions.** The general liability policy and automobile  
28 liability policy are to contain, or be endorsed to contain, the following provisions:

1           i.     Additional Insured Status.   The City, its officers, officials,  
2 employees, and volunteers are to be covered as additional insureds on the CGL policy  
3 with respect to liability arising out of work or operations performed by or on behalf of  
4 the Subrecipient including materials, parts, or equipment furnished in connection with  
5 such work or operations.  General liability coverage can be provided in the form of an  
6 endorsement to the Subrecipient's insurance (at least as broad as ISO Form CG 20 10 11  
7 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later  
8 revisions used.)

9           ii.    Primary Coverage.   For any claims related to this project, the  
10 Subrecipient's insurance coverage shall be primary insurance coverage at least as broad  
11 as ISO CG 20 01 04 13 with respect to the City, its officers, officials, employees, and  
12 volunteers.  Any insurance or self-insurance maintained by the City, its officers,  
13 officials, employees, or volunteers shall be in excess of the Subrecipient's insurance and  
14 shall not contribute to it.

15           iii.   Notice of Cancellation.  Each insurance policy required by this  
16 clause shall be endorsed to state that coverage shall not be canceled, except with notice  
17 to the City.

18           iv.    Coverage shall not extend to any indemnity coverage for the active  
19 negligence of the additional insured in any case where an agreement to indemnify the  
20 additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil  
21 Code.

22           F.     Acceptability of Insurers.  Insurance is to be placed with insurers with a  
23 current A.M. Best rating of not less than A:VII.

24           G.     Waiver of Subrogation.  Subrecipient hereby grants to the City a waiver of  
25 any right to subrogation which any insurer of said Subrecipient may acquire against the  
26 City by virtue of the payment of any loss under such insurance.  Subrecipient agrees to  
27 obtain any endorsement that may be necessary to affect this waiver of subrogation.  The  
28 Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor

1 of the City for all work performed by the Subrecipient, its employees, agents and  
2 subcontractors.

3 H. Verification of Coverage. Subrecipient shall furnish the City with original  
4 certificates and amendatory endorsements (or copies of the applicable policy language  
5 effecting coverage required by this this clause) and a copy of the Declarations and  
6 Endorsement Page of the CGL policy listing all policy endorsements to the City before  
7 work begins. All certificates and endorsements are to be received and approved by the  
8 Inglewood City Attorney's Office before work commences. However, failure to obtain  
9 the required documents prior to the work beginning shall not waive the Subrecipient's  
10 obligation to provide them. The City reserves the right to require complete, certified  
11 copies of all required insurance policies, including endorsements affecting the coverage  
12 required by these specifications at any time.

13 I. Subcontractors. Subrecipient shall include all subcontractors as insured  
14 under its policies or shall furnish separate certificates and endorsements for each  
15 subcontractor. All coverage for subcontractors shall be subject to all of the requirements  
16 stated herein. For CGL coverage subcontractors shall provide coverage with a form at  
17 least as broad as CG 20 38 04 13.

18 J. Subrecipient shall give City prompt and timely notice of any claim made  
19 or suit instituted. Subrecipient shall procure and maintain, at its own cost and expense,  
20 any additional kinds and amounts of insurance, which, in its own judgment may be  
21 necessary for its proper protection in the prosecution of the work.

22 K. The Subrecipient shall carry sufficient insurance coverage to protect  
23 Agreement assets from loss due to theft, fraud and/or undue physical damage, and as a  
24 minimum, shall purchase a blanket fidelity bond covering all employees in an amount  
25 equal to cash advances from the City.

26 L. The Subrecipient shall comply with the bonding and insurance  
27 requirements of 2 C.F.R. Part 200, Subpart D.

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1 **14. Default.**

2 If either Party materially fails to comply with any term of this Agreement said  
3 non-compliance shall be considered a breach or default hereunder and a basis for  
4 termination for cause as hereinbefore provided. Such non-compliance with this  
5 Agreement includes, without limitation, non-performance, slow performance, or  
6 substandard performance such as the failure to provide substantially all the services  
7 described in the Scope of Work of this Agreement or the failure to substantially meet or  
8 fulfill the goals set forth in the Scope of Work.

9 A. Enforcement by City Due to Default by Subrecipient. In the event of  
10 default by Subrecipient hereunder, the City may take one or more of the actions  
11 provided under the CDBG regulations, including 2 C.F.R. Part 200, Subpart D, §  
12 200.338 or the City may avail itself of any other remedies available at law or equity for  
13 breach of this Agreement. The remedies available to the City under 2 C.F.R. Part 200,  
14 Subpart D, § 200.338 include, without limitation, temporarily withholding cash,  
15 disallowing non-compliant costs, wholly or partly terminating the award, and  
16 withholding future awards. Furthermore, if the City finds that the Subrecipient has  
17 violated a term or condition of this Agreement, the Subrecipient may, at the City's sole  
18 discretion, be required to:

19 i. Repay all monies received from the CITY under this Agreement;  
20 and/or

21 ii. Transfer possession of all materials and equipment purchased with  
22 grant money to the CITY.

23 B. Recapture. The Subrecipient shall have the affirmative obligation to  
24 repay, and the City shall have the affirmative right (but not the obligation) to recapture  
25 from Subrecipient all (or any portion of) CDBG funds disbursed to Subrecipient  
26 hereunder in the event of Subrecipient's default hereunder or in the event Subrecipient  
27 refuses to accept, or fails to comply with, any conditions which may subsequently be  
28 imposed by HUD for the operation of the CDBG Program.

1 **15. Suspension or Termination.**

2 A. The City may immediately terminate this Agreement upon the termination,  
3 suspension, discontinuation, or substantial reduction in HUD CDBG funding for this  
4 Agreement's activity.

5 B. Termination for Cause. Either party may terminate this Agreement for  
6 non-performance by the other party of any material provision of this Agreement.  
7 Furthermore, in accordance with 2 C.F.R. Part 200, Subpart D, § 200.339, the City may  
8 suspend or terminate this Agreement if the Subrecipient materially fails to comply with  
9 any terms of this Agreement, which include (but are not limited to) the following:

10 i. Failure to comply with any of the rules, regulations or provisions  
11 referred to herein, or such statutes, regulations, executive orders, and HUD guidelines,  
12 policies or directives as may become applicable at any time;

13 ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely  
14 and proper manner its obligations under this Agreement;

15 iii. Ineffective or improper use of funds provided under this  
16 Agreement; or

17 iv. Submission by the SUBRECIPIENT to the CITY reports that are  
18 incorrect or incomplete in any material respect.

19 C. In accordance with 2 C.F.R. Part 200, Subpart D, § 200.339, this  
20 Agreement may also be terminated for convenience by either the City or the  
21 Subrecipient, in whole or in part, by setting forth the reasons for such termination, the  
22 effective date, and, in the case of partial termination, the portion to be terminated.  
23 However, if in the case of a partial termination, the City determines that the remaining  
24 portion of the award will not accomplish the purpose for which the award was made, the  
25 City may terminate the award in its entirety.

26 D. Either party may terminate this Agreement if, for any reason, the timely  
27 completion of the work/services to be provided under this Agreement is rendered  
28 improbable, infeasible, or impossible.

1 E. In the event this Agreement is terminated, as provided in this section,  
2 Subrecipient agrees to and shall immediately return to City any and all funds not used  
3 and to comply with the provisions of the Reversion of Assets section of this Agreement.

4 F. Notice of Termination. This Agreement may be terminated in whole or in  
5 part at any time by either party giving the other party thirty (30) days' written notice in  
6 writing. Should the City decide to terminate this Agreement, the Subrecipient shall be  
7 given notice of the termination and the Subrecipient shall, upon written request, have the  
8 right to an appeal process. A copy of the appeal process will be attached to the notice of  
9 termination.

10 G. In the event the City terminates this Agreement, the City Manager or  
11 designee is hereby empowered to give the written notice subject to subsequent  
12 ratification by the City Council at the next regular meeting of such body at which a  
13 quorum duly authorized to act is present, or at a special meeting duly called and held.

14 H. Additional Payment after Notice of Termination at Discretion of City. In  
15 the event of early termination of the Agreement by either Party, at the sole discretion  
16 and election of the City, the Subrecipient will be compensated for all services rendered  
17 and necessarily incurred costs performed in good faith in accordance with the terms of  
18 this Agreement that have been previously eligible for reimbursement and paid, to the  
19 date of the notice of termination and to the extent that CDBG funds are available from  
20 HUD.

21 I. In the case of termination pursuant to this section, a final payment may, at  
22 the City's sole discretion, be made to the Subrecipient upon receipt of a Final Report and  
23 invoices covering eligible costs incurred prior to termination. The total of all payments,  
24 including the final payment, shall not exceed the amount of CDBG funds specified in  
25 this Agreement.

26 **16. Personnel & Participant Conditions.**

27 A. Civil Rights.

28 i. Compliance. The Subrecipient agrees to comply with local and

1 state law and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the  
2 Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the  
3 Housing and Community Development Act of 1974 as amended, Section 504 of the  
4 Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age  
5 Discrimination Act of 1975, Executive Order 863, and Executive Order 11246 as  
6 amended by Executive Orders 11375, 11478, 12107 and 12086.

7           ii.     Nondiscrimination.

8                   (a)     The Subrecipient agrees to comply with the non-  
9 discrimination in employment and contracting opportunities laws, regulations, and  
10 executive orders referenced in 24 C.F.R. 570.607, as revised by Executive Order 13279.  
11 The applicable non-discrimination provisions in Section 109 of the HCDA are still  
12 applicable.

13                   (b)     Subrecipient shall not discriminate against any employee or  
14 applicant for employment because of race, color, religion, sex, national origin, age or  
15 handicap. Subrecipient shall take affirmative action to insure that applicants are  
16 employed, and that employees are treated during employment, without regard to their  
17 race, color, religion, sex, national origin, age or handicap. Such action shall include, but  
18 not be limited to, the following: employment, upgrading, demotion or transfer,  
19 recruitment or recruitment advertising, layoff or termination, rate of pay or other forms  
20 of compensation and selection for training including apprenticeship. Subrecipient agrees  
21 to post in conspicuous places available to employees and applicants for employment,  
22 notices setting forth the provisions of this nondiscrimination clause.

23                   (c)     Subrecipient shall comply with all provisions of Executive  
24 Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of  
25 the Secretary of Labor.

26                   (d)     Subrecipient shall furnish to the City all information and  
27 reports required by Executive Order No. 11246 of September 24, 1965, and by the  
28 related rules, regulations, and orders.

1           iii.     Land Covenants. This Agreement is subject to the requirements of  
2 Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 C.F.R. 570.601 and  
3 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or  
4 improved with assistance provided under this Agreement, the Subrecipient shall cause or  
5 require a covenant running with the land to be inserted in the deed or lease for such  
6 transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the  
7 use or occupancy of such land, or in any improvements erected or to be erected thereon,  
8 providing that the City and the United States are beneficiaries of and entitled to enforce  
9 such covenants. The Subrecipient, in undertaking its obligation to carry out the program  
10 assisted hereunder, agrees to take such measures as are necessary to enforce such  
11 covenant, and will not itself so discriminate.

12           iv.     Section 504. The Subrecipient agrees to comply with all Federal  
13 regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of  
14 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with  
15 disabilities or handicaps in any Federally assisted program.

16           B.     Affirmative Action

17           i.     Approved Plan. The Subrecipient agrees that it shall be committed  
18 to carrying out, pursuant to the City's specifications, Affirmative Action Program in  
19 keeping with the principles as provided in President's Executive Order 11246 of  
20 September 24, 1965. The City shall provide Affirmative Action guidelines to the  
21 Subrecipient to assist in the formulation of such program.

22           ii.    Women- and Minority-Owned Businesses (W/MBE). The  
23 Subrecipient will use its best efforts to afford small businesses, minority business  
24 enterprises, and women's business enterprises the maximum practicable opportunity to  
25 participate in the performance of this Agreement. As used in this Agreement, the terms  
26 "small business" means a business that meets the criteria set forth in section 3(a) of the  
27 Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business  
28 enterprise" means a business at least fifty-one (51) percent owned and controlled by

1 minority group members or women. For the purpose of this definition, "minority group  
2 members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-  
3 heritage Americans, Asian-Americans, and American Indians. The Subrecipient may  
4 rely on written representations by businesses regarding their status as minority and  
5 female business enterprises in lieu of an independent investigation.

6           iii.    Notifications. The Subrecipient will send to each labor union or  
7 representative of workers with which it has a collective bargaining agreement or other  
8 Agreement or understanding, a notice, to be provided by the agency contracting officer,  
9 advising the labor union or worker's representative of the Subrecipient's commitments  
10 hereunder, and shall post copies of the notice in conspicuous places available to  
11 employees and applicants for employment.

12           iv.    Equal Employment Opportunity and Affirmative Action (EEO/AA)  
13 Statement. The Subrecipient will, in all solicitations or advertisements for employees  
14 placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or  
15 Affirmative Action employer.

16           v.    Overcoming Effects of Prior Discrimination. In administering a  
17 program or activity funded in whole or in part with CDBG funds regarding which the  
18 Subrecipient has previously discriminated against persons on the grounds of race, color,  
19 national origin or sex, the Subrecipient must take affirmative action to overcome the  
20 effects of prior discrimination, as and pursuant to applicable requirements of the CDBG  
21 regulations and other applicable federal laws and regulations.

22           Even in the absence of such prior discrimination, a Subrecipient administering a  
23 program or activity funded in whole or in part with CDBG funds should take affirmative  
24 action to overcome the effects of conditions which would otherwise result in limiting  
25 participation by persons of a particular race, color, national origin or sex. Where  
26 previous discriminatory practice or usage tends, on the grounds of race, color, national  
27 origin, or sex, to exclude individuals from participation in, to deny them the benefits of,  
28 or to subject them to discrimination under any program or activity to which CDBG

1 funding applies, the Subrecipient has an obligation to take reasonable action to remove  
2 or overcome the consequences of the prior discriminatory practice or usage, and to  
3 accomplish the purpose of the Civil Rights Act of 1964.

4 Subrecipient shall not be prohibited by this Section from taking any eligible  
5 action to ameliorate an imbalance in services or facilities provided to any geographic  
6 area or specific group of persons within its jurisdiction where the purpose of such action  
7 is to overcome prior discriminatory practice or usage.

8 C. Exceptions. Notwithstanding the foregoing non-discrimination provisions,  
9 nothing contained therein shall be construed to prohibit any Subrecipient from  
10 maintaining or constructing separate living facilities or rest room facilities for the  
11 different sexes. Furthermore, selectivity on the basis of sex is not prohibited when  
12 institutional or custodial services can properly be performed only by a member of the  
13 same sex as the recipients of the services.

14 D. Suspension and Debarment. Subrecipient is required to verify that neither  
15 it, nor its principals, as defined at 2 C.F.R. § 180.995, or its affiliates, as defined at 2  
16 C.F.R. § 180.905 are excluded or disqualified, as defined at 2 C.F.R. §§ 180.935 and  
17 180.940. Subrecipient must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part  
18 3000, subpart C, and must include a provision requiring compliance with these  
19 regulations in any subcontract of any tier. If it is later determined that the Subrecipient  
20 did not comply with the applicable subparts, the Federal government may pursue  
21 available remedies, including, but not limited to, suspension and/or debarment. By  
22 submitting entering into this Agreement, Subrecipient agrees to comply with these  
23 requirements.

24 E. Subcontract Provisions.

25 i. The Subrecipient will include the provisions of Sections 16.A. Civil  
26 Rights, and 16.B. Affirmative Action, in every subcontract or purchase order,  
27 specifically or by reference, so that such provisions will be binding upon each of its own  
28 subrecipients or subcontractors.

1           ii.     Subrecipient shall include the provisions of Section 16.A.ii.b. in  
2 every subcontract or purchase order unless exempted by rules, regulations, or order of  
3 the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of  
4 September 24, 1965, so that such provisions will be binding upon each subcontractor or  
5 vendor.

6           iii.    Subrecipient shall take such action with respect to any subcontract  
7 or purchase order as the City may direct as a means of enforcing such provisions  
8 including sanctions for noncompliance. In the event Subrecipient becomes involved in,  
9 or is threatened with, litigation with a subcontractor or vendor as a result of such  
10 direction by the City, Subrecipient may request the United States to enter into such  
11 litigation to protect the interests of the United States.

12           F.     Employment Restrictions

13                i.     Prohibited Activity.

14                   a.     The Subrecipient is prohibited from using funds provided  
15 herein or personnel employed in the administration of the program for: political  
16 activities, inherently religious activities, lobbying, political patronage, and nepotism  
17 activities.

18                   b.     Ineligibility of Subrecipient or Contractors. Subrecipient  
19 shall not use CDBG funds directly or indirectly in its operations or to employ, award  
20 contracts to, or otherwise engage the services of, or fund any contractor during any  
21 period of debarment, suspension, or placement in ineligibility status of the Subrecipient  
22 or such contractor under the provisions of the CDBG regulations.

23                ii.     Labor Standards. The Subrecipient agrees to comply with the  
24 requirements of:

25                   a.     The Secretary of Labor in accordance with the Davis-Bacon  
26 Act as amended, the provisions of Contract Work Hours;

27                   b.     The requirements of the federal Contract Work Hours and  
28 Safety Standards Act, as set forth in 40 U.S.C. 3701-3708, as supplemented by the

1 regulations set forth in 29 C.F.R. Part 5, as may be amended from time to time, which  
2 are fully incorporated herein, including:

3                   1) No Contractor or subcontractor will require or permit  
4 any laborer or mechanic performing Work for the Project to work in excess of 40 hours  
5 in a work week unless such laborer or mechanic receives compensation at a rate not less  
6 than one and one-half times the basic rate of pay for all hours worked in excess of 40  
7 hours during that work week;

8                   2) If Subrecipient or a subcontractor violates this  
9 requirement, the Subrecipient and any responsible subcontractor will be liable for the  
10 unpaid wages. In addition, the Subrecipient and subcontractor will be liable to the  
11 United States for liquidated damages. The liquidated damages will be computed with  
12 respect to each individual worker as specified under federal law;

13                   3) Subrecipient and subcontractors must insert this  
14 requirement into subcontracts of any tier. Subrecipient is responsible for compliance  
15 with these requirements by each subcontractor of any tier.

16                   c. All other applicable Federal, state and local laws and  
17 regulations pertaining to labor standards insofar as those acts apply to the performance  
18 of this Agreement.

19                   iii. The Subrecipient agrees to comply with the Copeland Anti-Kick  
20 Back Act (18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. Part 5).  
21 The Subrecipient and subcontractors must insert this requirement into subcontract of any  
22 tier. Subrecipient is responsible for compliance with these requirements by each  
23 subcontractor of any tier and shall maintain documentation that demonstrates  
24 compliance with hour and wage requirements of this part. Such documentation shall be  
25 made available to the City for review upon request.

26                   iv. The Subrecipient agrees that, except with respect to the  
27 rehabilitation or construction of residential property containing more than eight (8) units,  
28 all contractors engaged under contracts in excess of \$2,000.00 for construction,

1 renovation or repair work financed in whole or in part with assistance provided under  
2 this Agreement, shall comply with Federal requirements adopted by the City pertaining  
3 to such contracts and with the applicable requirements of the regulations of the  
4 Department of Labor, under 29 C.F.R. Parts 1, 3, 5 and 7 governing the payment of  
5 wages and ratio of apprentices and trainees to journey workers. If, however, wage rates  
6 higher than those required under the regulations are imposed by state or local law,  
7 nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to  
8 require payment of the higher wage. The Subrecipient shall cause or require to be  
9 inserted in full, in all such contracts subject to such regulations, provisions meeting the  
10 requirements of this paragraph.

11 v. Subrecipient shall send to each labor union or representative of  
12 workers with which it has a collective bargaining agreement or other contract or  
13 understanding, a notice to be provided by CITY'S contracting officers advising the labor  
14 union or workers' representative of SUBRECIPIENT commitments under Section 202 of  
15 Executive Order No. 11246 of September 24, 1965, and shall post copies of the notices  
16 in conspicuous places available to employees and applicants for employment.

17 vi. "Section 3" Clause

18 a. Compliance. Compliance with the provisions of Section 3 of  
19 the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24  
20 C.F.R. 135, and all applicable rules and orders issued hereunder prior to the execution of  
21 this Agreement, shall be a condition of the Federal financial assistance provided under  
22 this Agreement and binding upon the City, the Subrecipient and any of the  
23 Subrecipient's subrecipients and subcontractors. Failure to fulfill these requirements  
24 shall subject the City, the Subrecipient and any of the Subrecipient's subrecipients and  
25 subcontractors, their successors and assigns, to those sanctions specified by the  
26 Agreement through which Federal assistance is provided. The Subrecipient certifies and  
27 agrees that no contractual or other disability exists that would prevent compliance with  
28 these requirements.

1                   b.     The Subrecipient further agrees to comply with these  
2 “Section 3” requirements and to include the following language in all subcontracts  
3 executed under this Agreement:

4                   “The work to be performed under this Agreement is a project  
5 assisted under a program providing direct Federal financial assistance from HUD and is  
6 subject to the requirements of Section 3 of the Housing and Urban Development Act of  
7 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent  
8 feasible opportunities for training and employment be given to extremely low-to low-  
9 income income residents of the project area, and that contracts for work in connection  
10 with the project be awarded to business concerns that provide economic opportunities  
11 for extremely low-to low-income income persons residing in the metropolitan area in  
12 which the project is located.”

13                   c.     The SUBRECIPIENT further agrees to ensure that:

14                   1)     Opportunities for training and employment arising in  
15 connection with a housing rehabilitation (including reduction and abatement of lead-  
16 based paint hazards), housing construction, or other public construction project are given  
17 to extremely low-to low-income income persons residing within the metropolitan area in  
18 which the CDBG-funded project is located;

19                   2)     Where feasible, priority should be given to extremely  
20 low-to low-income income persons within the service area of the project or the  
21 neighborhood in which the project is located, and to extremely low-to low-income  
22 income participants in other HUD programs;

23                   3)     Where feasible, contracts for work undertaken in  
24 connection with a housing rehabilitation (including reduction and abatement of lead-  
25 based paint hazards), housing construction, or other public construction project should  
26 be awarded to businesses that provide economic opportunities for extremely low-to low-  
27 income income persons residing within the metropolitan area in which the CDBG-  
28 funded project is located; and



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ii. Subcontracts

a. Approvals. The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the City prior to the execution of such agreement.

b. Monitoring. The Subrecipient will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content. The Subrecipient shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process. The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the City along with documentation concerning the selection process.

iii. Hatch Act. The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

iv. Conflict of Interest. The Subrecipient agrees to abide by the provisions of 2 C.F.R. §§ 200.112 and 200.318 and 570.611, which include (but are not limited to) the following:

a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

1                   c.     No covered persons who exercise or have exercised any  
2 functions or responsibilities with respect to CDBG-assisted activities, or who are in a  
3 position to participate in a decision-making process or gain inside information with  
4 regard to such activities, may obtain a financial interest in any contract, or have a  
5 financial interest in any contract, subcontract, or agreement with respect to the CDBG-  
6 assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either  
7 for themselves or those with whom they have business or immediate family ties, during  
8 their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a  
9 "covered person" includes any person who is an employee, agent, consultant, officer, or  
10 elected or appointed official of the City, the Subrecipient, or any designated public  
11 agency.

12                   d.     Subrecipient agrees that no officer, employee, agent or  
13 assignee of City having direct or indirect control of any CDBG monies granted to the  
14 City, inclusive of the subject CDBG funds, shall serve as an officer of Subrecipient.  
15 Further, any conflict or potential conflict of interest of any officer of Subrecipient shall  
16 be fully disclosed in writing prior to the execution of this Agreement and said writing  
17 shall be attached and deemed fully incorporated as a part hereof.

18                   e.     Conflict of Interest in Procurement. In the procurement of  
19 supplies, equipment, construction, and services by Subrecipient, the conflict of interest  
20 provisions in 2 C.F.R. §§ 200.112 and 200.318 and 24 C.F.R. 570.611 shall apply.

21                   v.     Lobbying. The Subrecipient hereby certifies that:

22                   a.     No Federal appropriated funds have been paid or will be  
23 paid, by or on behalf of it, to any person for influencing or attempting to influence an  
24 officer or employee of any agency, a Member of Congress, an officer or employee of  
25 Congress, or an employee of a Member of Congress in connection with the awarding of  
26 any Federal Agreement, the making of any Federal grant, the making of any Federal  
27 loan, the entering into of any cooperative agreement, and the extension, continuation,

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1 renewal, amendment, or modification of any Federal Agreement, grant, loan, or  
2 cooperative agreement.

3                   b.     If any funds other than Federal appropriated funds have been  
4 paid or will be paid to any person for influencing or attempting to influence an officer or  
5 employee of any agency, a Member of Congress, an officer or employee of Congress, or  
6 an employee of a Member of Congress in connection with this Federal Agreement,  
7 grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL,  
8 "Disclosure Form to Report Lobbying," in accordance with its instructions.

9                   c.     This lobbying certification is a material representation of fact  
10 upon which reliance was placed when this transaction was made or entered into.  
11 Submission of this certification is a prerequisite for making or entering into this  
12 transaction imposed by Section 1352, Title 31, U.S.C. Any person who fails to file the  
13 required certification shall be subject to a civil penalty of not less than \$10,000 and not  
14 more than \$100,000 for each such failure.

15                   d.     The preceding subsection G.v.c. shall be in all award  
16 documents for all subawards at all tiers (including subcontracts, subgrants, and contracts  
17 under grants, loans, and cooperative agreements) and that all subrecipients shall certify  
18 and disclose accordingly.

19                   vi.    Copyright. If this Agreement results in any copyrightable material  
20 or inventions, the City and/or grantor agency reserves the right to royalty-free, non-  
21 exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize  
22 others to use, the work or materials for governmental purposes.

23                   vi.    Procurement of Recovered Materials. The requirements of section  
24 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and  
25 Recovery Act at 42 U.S.C. § 6962, apply to this Contract and are fully incorporated into  
26 the Contract Documents by this reference. For individual purchases of \$10,000 or more,  
27 Contractor will make maximum use of products containing recovered materials that are  
28 EPA-designated items unless the product cannot be acquired (A) competitively within

1 the Contract schedule, (B) in conformance with Contract performance requirements, or  
2 (C) at a reasonable price. Information on this requirement, including a list of EPA-  
3 designated items, is available at the EPA's Comprehensive Procurement Guidelines  
4 website: <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

5           vii. Religious Activities.

6           a. The Subrecipient agrees that funds provided under this  
7 Agreement will not be utilized for inherently religious activities prohibited by 24 C.F.R.  
8 570.200(j), such as worship, religious instruction, or proselytization. The parties agree  
9 the foregoing covenant is intended to and shall be construed for the limited purpose of  
10 assuring compliance with respect to the use of CITY funds by Subrecipient with  
11 applicable constitutional limitations respecting the establishment of religion as set forth  
12 in the establishment clause under the First Amendment of the United States Constitution  
13 and Article I, Section 4 of California Constitution, and is not in any manner intended to  
14 restrict other activities of Subrecipient.

15           b. Subrecipient shall comply with all applicable conditions  
16 prescribed by HUD for the use of CDBG FUNDS by religious organizations if  
17 SUBRECIPIENT is a religious organization.

18 **17. Environmental Conditions**

19           A. Air and Water. The Subrecipient agrees to comply with the following  
20 requirements insofar as they apply to the performance of this Agreement:

21           i. Clean Air Act, 42 U.S.C. , 7401, et seq.;

22           ii. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251,  
23 et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and  
24 information, as well as other requirements specified in said Section 114 and Section 308,  
25 and all regulations and guidelines issued there under;

26           iii. Environmental Protection Agency (EPA) regulations pursuant to 40  
27 C.F.R. Part 50, as amended.

28 ///

1           B.     Flood Disaster Protection. In accordance with the requirements of the  
2 Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Subrecipient shall assure  
3 that for activities located in an area identified by the Federal Emergency Management  
4 Agency (FEMA) as having special flood hazards, flood insurance under the National  
5 Flood Insurance Program is obtained and maintained as a condition of financial  
6 assistance for acquisition or construction purposes (including rehabilitation).

7           C.     Lead-Based Paint. The Subrecipient agrees that any construction or  
8 rehabilitation of residential structures with assistance provided under this Agreement  
9 shall be subject to HUD Lead-Based Paint Regulations at 24 C.F.R. 570.608, and 24  
10 C.F.R. Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and  
11 require that all owners, prospective owners, and tenants of properties constructed prior  
12 to 1978 be properly notified that such properties may include lead-based paint. Such  
13 notification shall point out the hazards of lead-based paint and explain the symptoms,  
14 treatment and precautions that should be taken when dealing with lead-based paint  
15 poisoning and the advisability and availability of blood lead level screening for children  
16 under seven. The notice should also point out that if lead-based paint is found on the  
17 property, abatement measures may be undertaken. The regulations further require that,  
18 depending on the amount of Federal funds applied to a property, paint testing, risk  
19 assessment, treatment and/or abatement may be conducted.

20           D.     Historic Preservation. The Subrecipient agrees to comply with the  
21 Historic Preservation requirements set forth in the National Historic Preservation Act of  
22 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 C.F.R. Part 800,  
23 Advisory Council on Historic Preservation Procedures for Protection of Historic  
24 Properties, insofar as they apply to the performance of this agreement. In general, this  
25 requires concurrence from the State Historic Preservation Officer for all rehabilitation  
26 and demolition of historic properties that are fifty years old or older or that are included  
27 on a Federal, state, or local historic property list.

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- 1 **18. Severability.** If any provision of this Agreement is held invalid, the remainder of  
2 the Agreement shall not be affected thereby and all other parts of this Agreement shall  
3 nevertheless be in full force and effect.
- 4 **19. Governing Law and Venue.** This agreement shall be interpreted, construed and  
5 governed according to the laws of the State of California. In the event of litigation  
6 between the parties, venue in state trial courts shall lie exclusively in the County of Los  
7 Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance,  
8 California 90503-5058. In the event of litigation in the United States District Court,  
9 venue shall lie exclusively in the Central District of California, in Los Angeles.
- 10 **20. Section Headings and Subheadings.** The section headings and subheadings  
11 contained in this Agreement are included for convenience only and shall not limit or  
12 otherwise affect the terms of this Agreement.
- 13 **21. Waiver.** The City's failure to act with respect to a breach by the Subrecipient  
14 does not waive its right to act with respect to subsequent or similar breaches. The failure  
15 of the City to exercise or enforce any right or provision shall not constitute a waiver of  
16 such right or provision.
- 17 **22. Amendments.** The City or Subrecipient may amend this Agreement at any time  
18 provided that such amendments make specific reference to this Agreement, and are  
19 executed in writing, signed by a duly authorized representative of each Party, and  
20 approved by the City's governing body. The City may, in its discretion, amend this  
21 Agreement to conform with Federal, state or local governmental guidelines, policies and  
22 available funding amounts.
- 23 **23. Entire Agreement.** This agreement constitutes the entire agreement between the  
24 City and the Subrecipient for the use of funds received under this Agreement and it  
25 supersedes all prior or contemporaneous communications and proposals, whether  
26 electronic, oral, or written between the City and the Subrecipient with respect to this  
27 Agreement.
- 28 ///

1           **IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as  
2 of the date and year first above written.

3 **CITY OF INGLEWOOD**

**HABITAT FOR HUMANITY  
OF GREATER LOS  
ANGELES**

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7 James T. Butts, Jr.  
8 Mayor

Erin Rank  
President & CEO

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10 **ATTEST:**

**APPROVED AS TO FORM:**

11  
12 \_\_\_\_\_  
13 Aisha L. Thompson  
14 City Clerk

\_\_\_\_\_

Kenneth R. Campos  
City Attorney

# **ATTACHMENT**

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# **INSURANCE COVERAGE**



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
04/14/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>  Lockton Affinity, LLC P. O. Box 873401 Kansas City, MO 64187-3401	<b>CONTACT NAME:</b> Lockton Affinity, LLC <b>PHONE (A/C, No, Ext):</b> 888-553-9002 <b>E-MAIL ADDRESS:</b>	<b>FAX (A/C, No):</b> 913-652-3967
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b>  Habitat for Humanity of Greater Los Angeles, Inc.; Partnership Housing Inc. 8739 Artesia Blvd  Bellflower, CA 90706	<b>INSURER A:</b> Ace American Insurance Co.      22667	
	<b>INSURER B:</b> Ace Property and Casualty      20699	
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

**COVERAGES**      **CERTIFICATE NUMBER:**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>Hired and Non-Owned Auto Liability</b> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		GL1064458-22	04/01/2022	04/01/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTIONS 10,000			UM1064458-22	04/01/2022	04/01/2023	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 The City of Inglewood, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Habitat for Humanity GLA including materials, parts or equipment furnished in connection with such work or operations

Michael Pan

Digitally signed by Michael Pan  
 DN: cn=Michael Pan, o=City of Inglewood, ou=Legal, email=mpan@cityofinglewood.org, c=US  
 Date: 2022.05.02 13:52:09 -0700

<b>CERTIFICATE HOLDER</b>  City of Inglewood One West Manchester Blvd., Suite 750 Inglewood, CA 90301	1064458	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**WHO IS AN INSURED, and PRIMARY, NON CONTRIBUTORY INSURANCE –  
SCHEDULED PERSON OR ORGANIZATION**

Named Insured <b>Habitat For Humanity Purchasing Group, Inc.</b>			Endorsement Number <b>177</b>
Policy Symbol	Policy Number <b>G24962842 010</b>	Policy Period <b>4/1/2022 to 4/1/2023</b>	Effective Date of Endorsement <b>04/01/2022</b>
Issued By (Name of Insurance Company) <b>ACE American Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**
- STOP GAP-EMPLOYERS LIABILITY COVERAGE FORM**

**Who Is An Insured**

**Additional Insured- Scheduled Person or Organization**

Persons or organizations shown in the schedule are "insureds" but they are "insureds" only if you are obligated pursuant to a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the person or organization is an "insured" only:

- If an then only to the extent the person or organization is described in the Schedule;
- To the extent such contract or agreement requires the person or organization to be afforded status as an "insured";
- for activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
- with respect to damages, loss, cost or expense for injury or damage to which this insurance applies

No person or organization is an "insured" under this provision:

- that is more specifically identified under any other provision of the **Who Is An Insured** section (regardless of any limitation applicable thereto).
- With respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages, loss, cost or expense for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

---

Authorized Representative

Under Conditions, the following provision is added to the condition titled Other Insurance.

**Conditions: Other Insurance – Primary, Non Contributory Insurance – Scheduled Person or Organization**

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

**Schedule:** City of Inglewood  
One Manchester Blvd  
Inglewood, CA 90301

<b>CERTIFICATE OF WORKERS' COMPENSATION COVERAGE</b>						DATE Apr 27, 2022																																		
<b>PRODUCER</b> NonProfits' United Workers' Compensation Group 610 Fulton Avenue, Suite 200 Sacramento, CA 95825 Phone: (916) 868-6231 Fax: (916) 880-5251  Arthur J. Gallagher & Co Insurance Brokers of California, Inc 1255 Battery Street #450 San Francisco, CA 94111			<b>THIS CERTIFICATE IS ISSUED AS MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.</b>																																					
<b>INSURED</b>  Habitat for Humanity of Greater Los Angeles 8739 Artesia Boulevard Bellflower, CA 90706			<b>INSURERS AFFORDING COVERAGE</b>																																					
			INSURER A: NonProfits' United Workers' Compensation Group																																					
			INSURER B: Safety National Casualty Corp [NAIC#15105]																																					
			INSURER C:																																					
			INSURER D:																																					
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<b>COVERAGES</b> This Certificate is not intended to specify all endorsements, coverages, terms, conditions and exclusions of the policies shown.																																								
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NPUWCG-HHGLA-0170  City of Inglewood One Manchester Blvd Inglewood, CA 90301 1750			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  																																					



**THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY  
WAIVER OF TRANSFER OF RIGHTS OF  
RECOVERY AGAINST OTHERS TO US**

**NonProfits' United Workers' Compensation Group  
Memorandum of Coverage: NPU-WCG 001-2022**

This endorsement modifies the coverage provided under the following:

Memorandum of Coverage: PART ONE: WORKERS' COMPENSATION

COVERAGE Paragraph H. RECOVERY FROM OTHERS is amended with respect to the following: Name and Address of Person or Organization:

*City of Inglewood  
One Manchester Blvd  
Inglewood, CA 90301-1750*

**DESCRIPTION OF OPERATIONS/LOCATIONS ADDED BY ENDORSEMENT:**

*-CITY OF LA INGLEWOOD, its elected officials, officers, employees, volunteers, boards, agents and representatives.*

NPU-WCG waives any right of recovery it may have against the person or organization shown above because of payments made by NPU-WCG for injury or damage arising out of the Members' operations done under a contract with that person or organization shown above and included in the coverage provided by the Memorandum of Coverage. This waiver applies only to the person or organization shown on the Schedule Above.

**This endorsement is part of the Memorandum of Coverage and is effective on the date shown below. All other terms and conditions remain unchanged.**

**Effective Date:** January 1, 2022 **Expiration Date:** January 1, 2023  
**Member:** Habitat for Humanity of Greater Los Angeles, Inc.  
**Endorsement No:** NPUWCG-HHGLA-0170 **Date Issued:** Apr 27, 2022

  
Authorized Representative for NPU-WCG





COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NonProfits' United Vehicle Insurance Pool**  
Automobile Liability Coverage  
**ADDITIONAL COVERED PARTY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**The "Who is an Insured" section of your Automobile Liability Insurance is changed by adding the following:**

Who is covered includes any person or organization from whom you have leased an auto, from which you have received funding for your operations, or for who you provide services. These persons or organization are protected, if they require to be named, and you agree to name them, as an additional insured, if indicated on the attached Certificate of Coverage, but only with respect to liability arising out of the ownership, use, maintenance, loading or unloading of a covered auto.

**Cancellation:**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail 30 days written notice to the certificate holder named on the certificate, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

**Premium Payments:**

Those persons or organizations are not responsible for paying premiums for your coverage.

Insured: As shown on the Certificate of Insurance attached.  
Policy Number: NPU1000-21  
Effective Date: July 1, 2021 to July 1, 2022 (or otherwise indicated)

Authorized Representative:

A handwritten signature in cursive script, appearing to read "Jeffrey L. Smith", is written over a horizontal line.

# **EXHIBIT 1**

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# **PROGRAM GUIDELINES**

**CITY OF INGLEWOOD**  
**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS**



**MINOR HOME REHABILITATION PROGRAM**  
**GUIDELINES**

City of Inglewood  
Inglewood Housing Authority  
One West Manchester Boulevard, Suite 750  
Inglewood, California 90301

Revised, August 2021



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## INTRODUCTION

### **A. Purpose of Guidelines**

The purpose of the Community Development Block Grant (CDBG) Minor Home Rehabilitation Program ("Program") Guidelines ("Guidelines") is to provide a reference source for the operation of the Program. The Guidelines contain the Program policies, rules, and procedures.

### **B. Purpose of the Program**

The purpose of the Program is to promote the rehabilitation of housing stock in the City of Inglewood ("City"). It is designed to provide assistance to eligible homeowners for correction of health and safety deficiencies and code violations for low income property owners within the City. The Program provides this assistance in the form of a grant used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary, and code compliant home.

### **C. Funding Source**

The City has entered into a contractual relationship with the United States Housing and Urban Development (HUD) Department to administer the Program. Community Development Block Grant (CDBG) funds may be allocated each fiscal year to fund the program.

### **D. Program Manager**

The City will enter into an Agreement with a third party company to carry out the Minor Home Rehabilitation Program. This company will be referred to as the "Program Manager" and will carry out the requirements of the Program per the HUD guidelines.

### **E. Program Contractor**

The Program Contractor will be either an employee of the Program Manager with the appropriate certifications and state licenses to perform the contracted work or a sub-contractor that has been hired by the Program Manager after an appropriate bidding process for work has taken place for work that exceeds the capabilities of the Program Manager's staff. If the Program Manager's staff is used as the Program Contractor, then an hourly rate per employee must be provided in the Agreement.

## **PART I - PROGRAM ADMINISTRATION**

### **A. Regulations Governing the Program**

The Program's policies and procedures conform to federal regulations governing the CDBG Rehabilitation Program. If the contents of these Guidelines conflict with any federal regulations, the federal regulations shall prevail. The Program Manager shall be responsible for keeping up to date with federal requirements.

### **B. Staff and Authority**

The Program is managed by the City's Community Development Block Grant (CDBG) Division. The HUD Programs Manager is responsible for delivering the Program and enforcing these policies and procedures. The HUD Programs Manager shall have the authority to make amendments to the Program Guidelines. Any revisions to the Program Guidelines shall be made in writing and documented and a copy shall be provided to the Program Manager.

### **C. Consistency with Consolidated Plan**

Program funds must be used in a manner that is consistent with the activities stipulated in the City's Annual Action Plan, and that are supportive of the goals specified in the Consolidated Plan.

### **D. Conflict Resolution**

Complaints concerning the Program should be made, in writing, to the HUD Programs Manager, first. The HUD Programs Manager may serve as arbitrator for unresolved matters. A hearing is to be held within thirty (30) business days from written receipt of complaint. All parties must present their contentions and interpretations by themselves, or through counsel of their choosing. The HUD Programs Manager must make a decision within twenty-one (21) business days from the close of the arbitration, and respond with the decision in writing within fourteen (14) business days.

If the applicant is not satisfied with the HUD Programs Manager's decision, a written request for an appeal may be filed with the City Manager. A hearing is to be held within thirty (30) business days from written receipt of complaint. All parties must present their contentions and interpretations by themselves, or through counsel of their choosing. The City Manager must make a decision within twenty-one (21) business days from the close of the arbitration, and respond in writing within fourteen (14) business days. Written correspondence shall be mailed to: City of Inglewood CDBG Division, Minor Home Rehabilitation Program, One Manchester Boulevard - 7<sup>th</sup> Floor, Inglewood, CA 90301.

**E. Files and Record Retention**

The City of Inglewood CDBG staff shall maintain a permanent "master file" for each CDBG Rehabilitation Program application. Master files for CDBG Rehabilitation Programs are to be kept for a minimum of five (5) years after the date of completion of the rehabilitation, or from the end of the fiscal year if the application is denied, withdrawn, or canceled. The Program Manager shall provide the master files to the City of Inglewood once they have been completed. Master files are to be stored in groups according to their status in the Program, such as: pending, approved, under construction, completed, canceled/withdrawn, denied, pending payment, or paid.

**F. Financial Reporting**

The Program Manager shall be responsible for maintaining financial records in compliance with federal, state, and City regulations referred to above.

**G. Funding Availability**

Due to limited funds in this program, a waiting list of persons interested in receiving assistance will be generated on a first come, first serve basis. If the applicant does not meet program requirements, the next applicant on the waiting list will be considered until a qualified recipient is found. Exceptions will be made for life threatening situations as determined by the City of Inglewood HUD Programs Manager. If an emergency condition exists, the applicant may be moved up on the waiting list at the discretion of the HUD Programs Manager. The determination of an emergency will be made on a case-by-case basis once the Program Manager has sufficient documentation verifying the emergency. Emergency situations may include health, safety, building code, and life threatening emergencies (i.e., non-functioning hot water heater, furnace, leaky roof, fire hazard, etc.).

Once an applicant receives assistance through the Program for their minor home rehabilitation project, the applicant must wait a minimum of five (5) years from the date of completion of their home rehabilitation project, before being eligible to apply for additional assistance, if funding is available.

**H. Conflict of Interest**

1. All grant applicants, Program Manager's staff, Contractor's, and City program staff members are asked to declare any formal or informal relationships they have with one another. These include direct or indirect business or familial relationships. A preexisting relationship will disqualify an applicant from participating in the program.
2. City government officials, employees, or agents of the City who exercise policy, decision making functions, or responsibilities in connection with the planning and implementation of the program shall not be directly or indirectly eligible for this program. This ineligibility remains for five years after an individual's relationship with the City ends.

3. A Contractor with a vested interest in the subject property cannot bid on a rehabilitation job.
4. A property owner cannot act as an owner/builder of the rehabilitation project.

**I. Fair Housing and Equal Opportunity**

Program activities must comply with the following Federal Laws, executive orders, and regulations pertaining to fair housing and equal opportunity:

1. Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq), which 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.
2. The Fair Housing Act (42 U.S.C. 3601-3620), which 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.
3. Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259), which prohibits discrimination against individuals on the basis of race, color, religion, sex, or national origin in the sale, rental, leasing, or disposition of residential property or in the use or occupancy of housing assisted with Federal funds.
4. Age discrimination Act of 1975, as Amended (42 U.S.C. 6101), which prohibits age discrimination in programs receiving Federal financial assistance.
5. Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The City will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.
6. Equal Employment Opportunity, Executive Order 11246, as amended, which prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. This must be stipulated in all construction contracts.
7. All Program correspondence must have the Fair Housing logo at the lower right hand side corner of the first page or in some other conspicuous location.

**J. Program Outreach and Marketing**

All outreach efforts will be done in accordance with federal regulations pertaining to fair housing and equal opportunity to ensure nondiscriminatory treatment, outreach, and

access to the Program. The following must be on all outreach materials: the Fair Housing logo; and the City of Inglewood logo.

Flyers or other outreach materials, must be made available in English, Spanish, and any other language that is the primary language of a significant portion of the area residents, and will be widely distributed in the Program-eligible area, be provided to any local social service agencies. Staff will not conduct outreach or marketing when there is a waiting list of over one year. The Program Manager shall keep a waiting list in a format approved by the HUD Programs Manager.

**K. Labor Compliance**

The Program is not subject to Prevailing Wages, and Davis-Bacon. Should at any time any applicable Subrecipient Contract, Sub-Contract, or Sub-Award, meets the minimum requirements for Labor Compliance, the Program Manager shall comply with such requirements.

**L. Section 3**

Section 3 requirements apply to contracts of \$100,000 or more. Due to the Program's general standard grant amount of \$15,000, the Program is exempt from Section 3 requirements. Should at any time any applicable Subrecipient Contract, Sub-Contract, or Sub-Award, meets the minimum requirements for Section 3 Compliance, the Program Manager shall comply immediately with such requirements.

**M. Amending the Policies and Procedures Manual**

The Program Manager may recommend policy and procedural changes. All changes made must be in accordance with federal regulations. Policy changes may be approved by the City of Inglewood HUD Programs Manager, in writing.

**N. Previous Home Grant and/or Home Loan Assistance Awards**

If the Applicant has previously received financial assistance from funds provided by the City of Inglewood or its agency, a home grant or home loan the Applicant will be ineligible for additional financial assistance for as long as the City of Inglewood home loan or grant is active or for no less than five (5) years from the date the loan terms have been fully satisfied. An applicant may receive a grant before five (5) years if a critical health and safety issue is approved by the HUD Programs Manager and documented in the file.

**O. Exceptions to Program Policies and Procedures**

Exceptions to the Program's policies and procedures are allowable on an individual case-by-case basis. Any case to which a standard policy or procedure, as stated in these Guidelines, does not apply or an applicant is treated differently from others of the same class, may warrant an exception. The Program Manager must make written recommendations of proposed exceptions to the HUD Programs Manager. The

recommendations must contain a narrative, the recommended course of action, and include relevant documentation to support the exception requested. The HUD Programs Manager-or the authorized designee for the City-may approve the policy or procedural exception, for the specific instance, in writing. The approved exception must be kept in the master file, in the City electronic file, and in the client case file. Under no circumstances shall an exception to the standard policy or procedures, as stated in these Guidelines, be approved without the express written consent from the HUD Programs Manager or the duly authorized designee.

## **PART II – PROGRAM SUMMARY AND GUIDELINES**

The Minor Home Rehabilitation Program generally provides a grant up to \$15,000 in financial assistance to provide minor home rehabilitation and improvements, especially those related to health and safety, for qualified low-income homeowners who own and occupy their homes, as their primary residence.

### **A. CDBG Rehabilitation Program Description**

The Program is funded using CDBG funds provided by the U.S. Department of Housing and Urban Development (HUD). The goal of the Program is to improve the quality of life for low-income, City of Inglewood residents, including people with disabilities and the elderly, with financial assistance in the form of grants up to \$15,000 for minor home rehabilitation and improvements.

### **B. Applicant Eligibility Criteria**

Community Development Block Grant (CDBG) Rehabilitation Programs – Household income cannot exceed eighty percent (80%) of the Area Median Income (AMI), adjusted for household size, as determined by HUD, and updated and published, annually. The Program Manager shall verify that applicants meet the household income eligibility requirements and have their household income documented and determined by the definition of income found at 24 CFR Part 5. The latest income limits at the time of grant approval will apply when determining applicant income eligibility. The Program Manager must use the current income limits in effect at the time of application approval. HUD income guidelines may be found at this link.  
<http://www.huduser.gov/portal/datasets/il.html>

### **C. Eligible Uses of CDBG Grant Funds**

The Minor Home Rehabilitation Program may provide qualified homeowners grant funding for repairs such as, but not be limited to:

#### **1. INTERIOR/EXTERIOR HOME REPAIRS**

- a. Painting and refinishing of walls and ceilings Interior and exterior surfaces
- b. Wall resurfacing
  - Exterior resurfacing-stucco
  - Interior resurfacing-Plastering, Wallboard and Patching
- c. Installation of devices for the elderly or persons with disabilities;
  - Ramps, handrails, and accessibility fixtures and amenities
  - Handrails
- d. Roofing repairs
  - Roofing, gutters, downspouts, caulking, and tarring

- e. Minor and moderate electrical repairs
  - Update existing equipment; rewire non-complying wiring
  - lighting devices and security lights, services, feeders, and safety switches
- f. Minor and moderate plumbing repairs
  - Water piping, gas piping, sanitary waste and drainage piping, water heater, plumbing fixtures, and power clean lines
- g. Repair of heater or heating system
  - Existing system, new units and thermostats
- h. Minor and moderate cement, masonry or asphalt repairs
  - Concrete work such as walkways, driveway and walls
- i. Repair or replacement of interior/exterior openings
  - Doors, windows, locks, and screens
- j. Minor or moderate tile work - only when repairs are needed
  - Bathroom & Kitchen tile work
- k. Minor or moderate pest control
  - Fumigation and subsequent repairs
- l. Mold
  - Address cause as well as remediation
- m. Lead Based Paint hazards  
Remediation of lead-based paint hazards according to Federal Law
- n. Other repairs necessary for bringing homes into compliance with the rehabilitation standards set forth in the City of Inglewood Building Code or as approved by the HUD Programs Manager.

## **2. ENERGY CONSERVATION ACTIVITIES**

- a. Weather-stripping doors and windows
  - Caulking and replacement glazing
- b. Insulation
  - Attic, walls, and water heater
- c. Install energy efficient lighting fixtures
- d. Installation of ventilation of barriers
  - Vents and vapor barriers
- h. Installation of energy efficient plumbing fixtures

- i. Other eligible energy conservation activities

**3. SECURITY/SAFETY IMPROVEMENTS**

- a. Security devices
  - Dead bolt locks, door security view holes, security fencing and security lights
- b. Safety devices such as smoke detectors and safety lighting

**D. Ineligible Uses of CDBG Grant Funds:**

1. Materials, fixtures, equipment, or landscaping of a type and quality that exceeds adequate service or that is not customarily used for properties in the same general area.
2. Purchase, installation, or repair of furnishings or fixtures such as intercom systems, portable fans, barbecues, bathhouses, greenhouses, swimming pools, saunas, television antennas, tennis courts, etc.
3. Construction of new accessory structures such as garages, patios, decks, storage sheds unless rehabilitating or reconstructed to be code compliant.
4. Acquisition of land.
5. Property tax payments.
6. Room additions or extensions - unless there is an overcrowding issue.
7. Luxury items deemed ineligible by the HUD Programs Manager or his/her designee.
8. Other items deemed ineligible by the HUD Programs Manager or his/her designee.

**E. Hierarchy of Funds**

Program funds must be used in the following order of priority:

1. Correction of health and safety deficiencies.
2. Correction of code violations and incipient code violations.
3. Repairs and alterations that make a house more supportive of disabled occupants.
4. Repairs and alterations that make a house more energy efficient.

5. Other eligible general property rehabilitation work.

#### **F. Rehabilitation Standards**

State and local building codes, the City's rehabilitation standards, and accessibility requirements for persons with disabilities apply to all projects. All repair work related to health and safety conditions will meet Uniform Building Code standards. The priority will be the elimination of health and safety hazards, and code compliance.

#### **G. Property and Occupancy Eligibility Requirements**

1. Property must be a single-family home or a condominium/townhouse (only interior work allowed for condominium/townhouse); and
2. Property must be owner-occupied; and
3. Property must have a fee simple title; and
4. Property must be located within City boundaries ([See Appendix A](#)); and
5. Property must contain a legal residential structure intended for continued residential occupancy.

#### **H. Lead-Based Paint Notification Requirements**

Occupants of homes constructed prior to 1978 must receive proper notification of Lead-Based Paint (LBP) hazards, as follows:

1. The EPA "Protect Your Family from Lead in Your Home" brochure ([Appendix B](#)) must be provided to all owners regardless of the cost of rehabilitation or paint test findings.
2. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption must also be supplied.
3. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report must also be provided.

LBP hazard reduction regulations are found in the Code of Federal Regulations (CFR) Title 24: Housing and Urban Development, Part 35—Lead-Based Paint Poisoning Prevention in Certain Residential Structures, found in part, in the Lead Hazard Guidelines ([Appendix B-1](#))

Nothing in this part shall relieve the City of Inglewood or the Program Manager from any responsibility for compliance with State or local laws, ordinances, codes, or regulations governing notice or disclosure of known, presumed presence, or exposed lead-based hazards.

### **Part III – GRANT PROCESSING PROCEDURES**

#### **A. Preliminary Application Intake**

The City will refer Program questions from residents to the Program Manager. The Program Manager shall respond to resident inquiries within a 24-hour period or by the next business day. In developing the waiting list for the CDBG Minor HOME Rehabilitation Program, all interested residents will be provided access to a preliminary application to complete with instructions to return the preliminary application to the Program Manager. Preliminary Applications will be accepted via e-mail, fax, or other source of submission, as described in the Preliminary Application. Preliminary Applications will be processed in the order received, based upon funding availability. Applicants will be notified - in writing - when a resident's application has reached the top of the waiting list. Should funding no longer be available to administer the program, all applicants on the waiting list shall be notified in writing within ten (10) business days of the occurrence.

The Preliminary Application shall be used to determine whether the applicant meets the minimum criteria for Program participation. The Preliminary application shall not be used to determine conclusive program eligibility or approval of assistance. However, based on the applicant's responses provided on the Preliminary Application, an applicant may be deemed ineligible for not meeting the minimum criteria for Program assistance. Only those applicants who meet the minimum criteria program participation will be invited to continue with the application process. All applicants, as determined by the Preliminary Application, shall be notified within fifteen (15) days from the submission date of their Preliminary Application of the next steps in the process.

Applicants who do not meet the minimum program criteria based on the Preliminary Application will be notified of the denial in writing within fifteen (15) business days from the submission date of their Preliminary Application.

#### **B. Applicant Intake Appointment**

Once an applicant reaches the top of the waiting list, the Program Manager will contact the applicant to schedule an intake appointment to complete a full application and to provide the necessary supporting documents to determine eligibility. The intake appointment shall also be the opportunity for the applicant to individually meet with the Program Manager and the staff, who will provide the applicant with detailed and specific information regarding the Program and to answer any questions the applicant may have regarding the Program.

Intake Appointments may be held in person, or virtually via telephone conference call or by video conferencing. The applicant shall submit all requested information to the Program Management staff. All Applicant forms must be fully completed, signed, and dated. All supporting documentation must be current (not older than ninety 90 days) and submitted in their entirety.

At no time will the initial Intake Appointment be used to approve applicants for participation on the Program. During the initial intake appointment, the Program Management staff will take precautions not to imply, convey, suggest, or otherwise indicate the applicant has been approved for Program participation. Approval for the Program will occur only after the full application and all supporting documents have been fully evaluated for eligibility by the Program Manager. The result of the application process shall be made to the applicant in writing.

### C. Application Process

During the application process, the Program Manager must:

1. Verify identity and gather identification documents for all household members, including minors, as applicable:
  - a. Proof of current State issued identification (*required for adults over the age of 18 – not required for minors*)
  - b. Social Security Cards
  - c. Birth Certificates and/or Passports
  - d. Proof of Citizenship and/ Immigration Status
  - e. Race and Ethnicity Data
  - f. Other Key Reporting Data (e.g., disability, elderly, female head of household)
2. Certify income eligibility, including:
  - a. Verification of dependent children living in the home;
  - b. Proof of full-time student status for dependents, aged 18 years or older;
  - c. Bank statements and asset/investment statements for the last six months;
  - d. W-2's, federal and state income tax returns for the most recent 2 years;
  - e. Documentation of income, as outlined in Section "D" below;
  - f. Documentation evidencing eligibility of all program requirements, such as ownership, occupancy, and property location;
  - g. State of California Employment Development Department (EDD) Notice of adult household members who do not receive income;
3. Verify property ownership;
4. Verify property is located in the boundaries Inglewood, California;
5. Verify the property is owner-occupied;
6. Verify the mortgage, property taxes, and insurance are current;
7. Create a master file for each application, organized to ensure that all required documents are gathered, as provided in [Appendix C](#). The master file must be properly labeled, organized, and documents are securely fastened in the master files; and

8. Store all applicant master files in a secure environment to maintain the privacy of the sensitive applicant information contained within. All client master files must be maintained in a storage location that is lockable with no access to unauthorized staff or to the public.

#### **D. Income Documentation**

The Program requires the use of the income definition as defined in 24 CFR 5.609 (Part 5 annual income) to determine household income eligibility. The Program Manager must determine the anticipated annual income based on the requirements detailed in the Technical Guide for Determining Income and Allowances CDBG Rehabilitation Programs, included in [Appendix D](#).

The Program Manager must verify the applicants meet the household income eligibility requirements and collect the proof of household and income documentation. The HUD Income Limits are updated and published by HUD, annually. The income limits in place at the time of grant approval will apply when determining applicant income eligibility. The Program Manager shall utilize the latest income guidelines, as published by HUD. HUD income guidelines may be found at this link:

<http://www.huduser.gov/portal/datasets/il.html>

The Program Manager must certify income based on information obtained from third party verifications - including source documentation - and the review of documents provided at the time of application. The income certification is valid for a period of six months. It will not be required to re-certify income unless six months have lapsed from the time of certification. Grant documents must be executed prior to the expiration of the certification period.

The Program Manager is responsible for obtaining all the required income documentation for all the sources of income received by the entire household. Program eligibility is contingent on verifying the household income from all sources. Therefore, the Program Manager must exercise due diligence in ensuring that all income is being disclosed by the applicant(s) and properly calculated. The following is a list of income sources, and examples of acceptable documentation:

<b>Type of Income</b>	<b>Documentation Source – not older than 90 days</b>
<b>Gross employment income:</b> <ul style="list-style-type: none"> <li>● Wages</li> <li>● Salary</li> <li>● Overtime</li> <li>● Tips</li> <li>● Commissions</li> <li>● Bonuses</li> </ul>	<ul style="list-style-type: none"> <li>● Employment verification from employer</li> <li>● Paycheck stubs (copies of the most recent four weeks of paycheck stubs)</li> <li>● Certified copies of tax returns and W-2's if within the first quarter of the new calendar year, requires a signed 4506 form</li> <li>● Copy of employment contract, which must specify the earnings amount and expiration date</li> </ul>
<b>Self-Employment or Business Net Income</b>	<ul style="list-style-type: none"> <li>● Certified copies of tax returns, with signed 4506 form for the previous 2 years (including all attachments, specifically Schedule "C")</li> <li>● Audited financial statement</li> </ul>
<b>Social Security Benefits</b> <ul style="list-style-type: none"> <li>● Including SSI payments</li> <li>● Including anticipated Cost of Living Adjustments (COLAs)</li> </ul>	<ul style="list-style-type: none"> <li>● Written verification from the Social Security Administration</li> <li>● Copy of award letter stipulating the benefit amount</li> <li>● Copy of bank statement verifying the direct deposit of the benefit amount</li> </ul>
<b>Periodic determinable allowances:</b> <ul style="list-style-type: none"> <li>● Child support</li> <li>● Alimony</li> <li>● Regular contributions received from organizations or persons not residing in the dwelling</li> </ul>	<ul style="list-style-type: none"> <li>● Copy of court decree that establishes amount of support</li> <li>● Verification from District Attorney's office that verifies the amount of support</li> <li>● Notarized affidavit of support</li> </ul>

<b>Type of Income</b>	<b>Documentation Source – not older than 90 days</b>
<b>Net Rental Income</b>	<ul style="list-style-type: none"> <li>● Tax returns, including schedule "E"</li> <li>● Copies of rental agreements/leases, along with a breakdown of monthly expenses to determine net income</li> <li>● Copies of most recent rent checks, along with a breakdown of monthly expenses to determine net income</li> </ul>
<b>Welfare Assistance:</b> <ul style="list-style-type: none"> <li>● Payments under the Temporary Assistance for Needy Families (TANF)</li> <li>● Welfare or General relief</li> </ul>	<ul style="list-style-type: none"> <li>● Benefit award letter specifying the amount of the benefit</li> <li>● Verification from case worker stating the benefit amount</li> <li>● Copy of checks</li> </ul>
<b>Income from Assets:</b> <ul style="list-style-type: none"> <li>● Savings account(s)</li> <li>● Checking account(s)</li> <li>● Investments</li> </ul>	<ul style="list-style-type: none"> <li>● Bank statements showing the last 6 months of interest</li> <li>● Savings passbook</li> <li>● Verification of deposit</li> <li>● Most recent income tax returns showing the interest earned</li> <li>● Investment statements showing the dividends earned and/or anticipated earnings</li> </ul>
<b>Gross Amount of Payments in lieu of Earnings:</b> <ul style="list-style-type: none"> <li>● Unemployment</li> <li>● Disability compensation</li> <li>● Worker's compensation</li> </ul>	<ul style="list-style-type: none"> <li>● Benefit award letter showing monthly benefit</li> <li>● Copy of checks</li> </ul>
<b>Gross Amount of Periodic Payment:</b> <ul style="list-style-type: none"> <li>● Annuities</li> <li>● Pensions/Retirement</li> <li>● Disability benefits</li> <li>● Death benefits</li> </ul>	<ul style="list-style-type: none"> <li>● Statement of benefits</li> <li>● Benefit award letter</li> <li>● Verification from awarding agency/entity</li> </ul>
<b>Other Sources of Income:</b> <ul style="list-style-type: none"> <li>● Union benefits</li> <li>● Other income not specified above</li> </ul>	<ul style="list-style-type: none"> <li>● Statement of benefit award that evidences benefit amount</li> <li>● Documentation to support declaration of other income</li> </ul>
<b>No income:</b>	<ul style="list-style-type: none"> <li>● EDD Notice of Unemployment</li> <li>● Verification of previous employment</li> <li>● Self-certification of zero income</li> </ul>
<b>No tax returns:</b>	<ul style="list-style-type: none"> <li>● Verification from IRS that no taxes were filed.</li> </ul>

## **E. Third Party Verifications**

Third Party Verifications are required for all projects. When requesting third-party verifications or source documentation, the Program Manager must ensure the household members over the age of 18 complete the "Authorization for Release of Information" form ([Appendix E](#)), which authorizes the third-party to release the information requested. Acceptable third-party written verifications may be original forms, facsimile copies, e-mail, or the internet official website of the income source. Although written requests and responses are preferred, verbal confirmations with a third party representative are acceptable provided that the confirmation is documented through a memorandum to the file to include the specifics as to the contact person, information conveyed, and date of call. In all cases, the Program Manager must ensure that the person verifying the information is a valid source. Depending on the circumstance and in most cases, verbal confirmations may be required to be followed up with a written confirmation.

## **F. Income Exclusions**

The list of sources of income that should not be included in the income calculation is specified in the Technical Guide for Determining Income.

## **G. Assessing Information and Computing Income**

The Program Manager must calculate the household income based on the documentation obtained, calculate the anticipated annual income.

1. When assessing the income documentation for employed household members, it is important to determine:
  - a. The basis on which the household member is paid, such as hourly, weekly, bi-weekly, monthly, with or without overtime\*, etc.
    - In the case of overtime, it is necessary to determine whether the overtime is regular or sporadic.
      - If overtime pay is earned on a regular basis, then the Program Manager must calculate the average amount of overtime pay anticipated to be earned in a year. The anticipated amount of overtime earnings must be included in the projected income for the household.
      - If overtime work is sporadic, and will be inconsistent or periodic in the next 12 months, the Program Manager must request detailed overtime information from the employer, and use the information supplied by the employer to determine how overtime is to be calculated.

2. Formulas used to determine annual income:

Frequency	Formula
Weekly	Multiply gross income by 52 weeks
Bi-weekly	Multiply gross income by 26 weeks
Twice-a-month	Multiply gross income by 24 weeks
Monthly	Multiply gross income by 12 months

3. Refer to the Technical Guide for Determining Income and Allowances for determining household income.

4. If the Program Manager has verification that the household member(s) has been employed by the same employer from the beginning of the calendar year, then the monthly income can be calculated by dividing the year-to-date (YTD) annual earnings by the number of months worked. For example if the paycheck stub indicates that the pay period ended June 28, 2020, and the YTD is \$18,500, then you divide \$18,500 by 6.93 months, and annualize the calculated monthly earnings by multiplying the result by 12.

$$\begin{aligned} \$18,500 \div 6.93 &= \$2,669.55 \text{ per month} \\ \$2,669.55 \times 12 &= \$32,034.60 \text{ per year} \end{aligned}$$

To determine the number of months to use for the calculation, you must count the number of full months and determine the percentage of time for the partial month. In the example above, the YTD included earnings of 28 days of a 30-day month. Thus, you divide 28 by 30 to establish the percentage ( $28 \div 30 = 0.93$ ). In this instance, the employee worked 6.93 months.

The above method will work only if staff has verified that the household member has earned income from the same employer since the beginning of the calendar year; and if the paycheck stub reflects the year-to-date earnings that include all overtime, bonuses, etc.

**H. Special Circumstances**

If income cannot be calculated by using the documentation described above, then the income calculation must be handled on a case-by-case basis, as appropriate for the circumstance. For example: If the income is derived from the sale of recyclable materials, it will be necessary to provide enough documentation (i.e. sales receipts) to reasonably determine annual income. The documentation must be in a form acceptable to the City of Inglewood HUD Programs Manager and obtained in writing, and certified by the household member.

**I. Determining Household Size**

Since income limits are adjusted by household size, it is necessary to accurately determine the size of the applicant's household.

A child who is subject to shared-custody may be counted as part of the household if the child resides with the household at least fifty percent (50%) of the year. The Program Manager must obtain verification of dependent children living at home, such as copy of birth certificate, court order awarding child custody, school records, or other documentation that will verify the dependent is part of the household. Unborn children are not considered part of the household.

The Program Manager must include a household composition portion of the application. The Program Manager must review the application and the support documentation carefully to be alert to any discrepancies in the household size disclosed by the applicant on the application compared to the support documentation. For example, if the applicant claims three dependent children on the application, but the tax returns only show two children, then the Program Manager must obtain additional documentation to support the third child, such as, but not limited to: a copy of the birth certificate and social security card for a newborn; or a court order that grants custody of the dependent child, or school records for the additional dependent.

For household members of 18 years of age and older who are full-time students, the Program Manager must obtain verification of full-time student status, such as school records, registration, or other documentation that will evidence student status.

#### **J. Comparing Household Income to Income Limits**

Once the household size and anticipated household income have been determined, the information must be compared to the HUD income limits in effect, to verify eligibility. HUD income limits are updated, annually. Thus, the Program Manager must ensure to use the most recently published income limits at the time of grant approval. HUD will typically update income limits in the spring of each year.

The Program Manager shall verify that applicants meet the household income eligibility requirements and have their household income documented. The income limits in effect at the time of grant approval will apply when determining income eligibility. HUD income guidelines may be found at this link:  
<http://www.huduser.gov/portal/datasets/il.html>

Households must have incomes at or below eighty percent (80%) AMI, adjusted for family size, to be eligible for the Program.

#### **K. Other Eligibility Criteria**

In addition to income documentation, the Program Manager must obtain supporting documentation to determine eligibility for other program requirements, including but not limited to, property ownership, verification that the property is the owner's primary residence, current property insurance, current mortgage payments, etc. See the chart below.

Eligibility Requirement	Must verify with at least one of the following in each category:
<b>Verification of Ownership:</b> <i>The property must be owned by the grant applicant(s).</i>	<ul style="list-style-type: none"> <li>● Copy of property deed, such as grant deed, deed of trust, quitclaim deed, etc.</li> <li>● Title report or insurance issued within the last year, which verifies the vesting to be the applicants' name(s)</li> <li>● Property tax bill</li> <li>● Property profile or cover from title company</li> </ul>
<b>Verification that property is in the City of Inglewood.</b>	<ul style="list-style-type: none"> <li>● Inglewood boundary verification</li> </ul>
<b>Verification that property is owner occupied:</b> <i>The property must be the owner's principal place of residence.</i>	<ul style="list-style-type: none"> <li>● Copy of utility bill (except telephone bill), which shows the applicant's name(s) and property address;</li> <li>● Copy of Water bill;</li> <li>● Copy of current property tax bill that shows homeowner's exemption and the subject property as the mailing address.</li> </ul>
<b>Verification that mortgage payment is current.</b> <i>Assistance cannot be provided if payment is not current.</i>	<ul style="list-style-type: none"> <li>● Copy of most recent mortgage statement that shows payment is current;</li> <li>● Verification of mortgage completed by Mortgagor;</li> <li>● Mortgage history printout.</li> </ul>
<b>Verification of type of first mortgage.</b> <i>No reverse mortgages, or negative amortizations.</i>	<ul style="list-style-type: none"> <li>● Copy of most current mortgage statement.</li> </ul>
<b>Verification that property taxes are up-to-date.</b> <i>Assistance cannot be provided if taxes are not current.</i>	<ul style="list-style-type: none"> <li>● Printout from the Los Angeles County Tax Collector's website that shows the tax as current. Website at <a href="http://ttax.co.la.ca.us/">http://ttax.co.la.ca.us/</a></li> <li>● Receipt of payment (if payment has been recently made and website has not been updated)</li> <li>● Copy of payment arrangements from tax collector for delinquent tax(es).</li> </ul>
<b>Verification that home insurance is up-to-date.</b>	<ul style="list-style-type: none"> <li>● Copy of current evidence of insurance or policy. Documentation must show the expiration date, or specify that it is continuous.</li> </ul>
<b>Verification of Dependents/Household Members</b> <i>-as applicable</i>	<ul style="list-style-type: none"> <li>● <i>State issued identification – required for adults aged 18 years and older</i></li> <li>● <i>Copy of birth certificate(s) – required for all dependents</i></li> <li>● <i>Copy of Social Security Cards – required for all dependents</i></li> <li>● <i>Copy of school records</i></li> <li>● <i>Court order warding custody</i></li> <li>● <i>Adoption documents</i></li> <li>● <i>Proof of full-time student status for dependents 18 years of age and older</i></li> </ul>

## L. Grant Processing Timeline

Grant applications must be processed in the order received. Upon receipt of a completed grant application, the application must be evaluated by the Program Manager for eligibility and compliance of program and funding requirements within seven (7) business days.

If the application is incomplete, the Program Manager must issue a written request for additional documentation to the Applicant, and allow fourteen (14) calendar days for the Applicant to submit the missing documentation. If the Applicant fails to submit the missing documentation by the deadline, then a second reminder must be sent, and a fourteen (14) day extension may be granted. If there is no response to the second notice, then a written notice of cancellation of grant application must be mailed to the applicant and the client file documented.

When the full grant application is submitted to the Program Manager, the Program Manager must:

1. Request all required third party verifications, such as verifications of mortgage, employment, benefits, or deposit. Source documentation is acceptable.
2. Order property inspection by following the procedures specified in Part IV, of this Manual.
3. Order the lead assessment, when applicable, upon receipt of the property inspection report. In compliance with HUD's Lead Safe Housing Rule, a certified Environmental Company must perform a lead assessment to test surfaces to be disturbed during rehabilitation on properties built prior to 1978. A lead-assessment must be completed by the certified environmental company; and a post lead clearance is required. Refer to Appendix C for Lead- Based Hazard reduction requirements. The required reports must be ordered for each grant application within five (5) business days from the time eligibility has been established. All tests and clearances must be completed by a certified environmental company. Confirmation of the requests, the test results, and any follow-up documentation and correspondence must be kept in the applicant file, for reference.
4. Order termite inspection (if requested by the applicant) within five (5) business days from the time eligibility has been established. The Program Manager must request termite extermination cost estimates from at least three (3) qualified termite companies and keep the estimate request confirmations in the applicant file. If the property has been inspected and treated for termites within the last 12 months from the date eligibility has been established, then a new termite report shall not be required.
5. The Program Manager must conduct proper follow-up if the lead and termite reports are not received within twenty-one (21) days from the time they were ordered.
6. Upon receipt of the lead report/assessment and termite report, the Program Manager must provide copies to the Applicant, who must sign an acknowledgement of receipt of reports. The Program Manager must also

forward copies of the various property reports to the Construction Manager to be included in the preparation of the Work Write-up.

7. The Program Manager must obtain historic clearance for the subject property, as specified in Section M, Historic Preservation, below.

## **M. Historic Preservation**

Historic preservation requirements apply to properties that are aged fifty (50) years or older. Historic properties are residential properties listed in, or eligible to be listed in, the National Register of Historic Places, state, or local inventory of historic places designated as a historic landmark, or designated as contributing to a historic district by local law or ordinance. The Program Manager must determine if the property is subject to historic preservation requirements, as follows.

1. Verify the age of the property with a title report or through the LA County Assessor website at:  
[http://maps.assessor.lacounty.gov/GVH\\_2\\_2/Index.html?configBase=http://maps.assessor.lacounty.gov/Geocortex/Essentials/REST/sites/PAIS/viewers/PAIS\\_hv/virtualdirectory/Resources/Config/Default](http://maps.assessor.lacounty.gov/GVH_2_2/Index.html?configBase=http://maps.assessor.lacounty.gov/Geocortex/Essentials/REST/sites/PAIS/viewers/PAIS_hv/virtualdirectory/Resources/Config/Default) .
  - If the property is not fifty (50) years old or older, then no further historic process is required.
2. If the subject property is aged fifty (50) years or older and the rehabilitation work will involve exterior work, the Program Manager must submit a Historic Eligibility Determination to the California State Historic Preservation Office (SHPO) via regular mail. This consultation with SHPO is only for projects that will include exterior work. SHPO clearance is not needed for projects that will only address interior rehabilitation, or for properties that are less than fifty (50) years old. The consultation letter must include:
  - a. Date of the request;
  - b. Photographs of the front, back, and side views of the subject property.
  - c. A list of the proposed rehabilitation.
  - d. Relevant information regarding the historic significance of the property.

SHPO has thirty days to respond. If within 30 days no response is received, then rehabilitation work may proceed. A copy of the SHPO consultation letter must be kept in the master file and client file.

3. Completion of Historic and Architectural Assessment Form, a sample is attached to this document as **Appendix F**;
  - a. If the proposed rehabilitation involves only interior work or if the subject property is less than 50 years old, only Part A of the Historic and Architectural Assessment Form is necessary.
  - b. If the proposed rehabilitation involves exterior work to a property that is fifty (50) years old or older, verify that proper consultation was submitted

to SHPO. If no response is received from SHPO within 30 days, then the project is able to proceed.

- c. Complete Part B of the Historic and Architectural Assessment Form for projects that involve exterior rehabilitation of properties aged fifty (50) years old and older.

**N. Compliance of Environmental Requirements**

The City of Inglewood HUD Programs Manager must ensure that each project is reviewed for its environmental impacts. The HUD Program Manager must fill out the Environmental Finding Forms Parts 1 through 3. The Environmental Finding Forms must be executed by the authorized certifying officer; the City of Inglewood HUD Programs Manager, or designated City of Inglewood staff.

## Part IV – PROPERTY INSPECTION & SELECTION

### A. Property Assessment Requests

Once Program eligibility has been established, the home must be assessed to determine the overall condition of the home and the proposed work to be done. The Program Manager must coordinate with the homeowner(s) and the Program Contractor to schedule an onsite assessment of the property. Confirmation of the onsite assessment appointment must be documented in writing to the homeowner(s). A copy of the scheduled onsite inspection appointment and each follow-up correspondence with the homeowner must be made in writing and available in the applicant file. All efforts must be made to ensure appointments are honored by all parties.

### B. Property Assessment

The Program Manager must contact the homeowner to schedule the onsite inspection of the property to assess the proposed work to be rehabilitated. Appointments can be set in the morning or afternoon, with four hour availability windows. If an appointment is set for the morning, then the appointment window must be between 8:00 AM and 12:00 PM. For afternoon appointments, then the appointment window must be between 12:00 PM and 4:00 PM. While scheduling the onsite assessment, the Program Manager and the Program Contractor must inform the homeowner –in writing- that access to all areas of the property is required. All efforts must be made to ensure appointments are honored by all parties.

The Program Contractor must conduct a thorough property assessment of the rehabilitation or improvements needed; prepare work specifications to bring the subject property into conformance with Program requirements as specified in Part II, *Program Summary and Guidelines* of this Manual; and provide a rehabilitation estimate. The onsite property assessment must be followed-up with a thorough written assessment report of the condition of the property and of those areas subject for rehabilitation under the Program.

A minimum of one photograph per area of the home is required in the onsite written assessment report. The Program Contractor must take before and after photos of all the areas to be rehabilitated or improved; and for the SHPO request and clearance, as applicable.

### C. Property Standards

All rehabilitation work and improvements must meet current Uniform Building Code standards. At a minimum, the rehabilitation and improvement of the home must include proposed efforts to address or remedy health and safety hazards, accessibility requirements, and code deficiencies in the home.

#### **D. Work Write-up**

The Program Contractor must prepare a Work Write-up, which is the set of instructions specifying the proposed rehabilitation work to be performed by the Program. The Work Write-up is separate from the onsite home assessment report. The Work Write-up must describe and address any code violations, health and safety deficiencies, and lead hazards in a manner that sufficiently details the basis for cost estimates and, if required, contractor bids. The Work-Write up must include the following:

1. Scope of Work, which must conform with:
  - a. Program requirements, such as lead hazard reduction, correction of health and safety deficiencies and of code violations, and incipient code violations, work that improves energy efficiency, and other eligible general property rehabilitation; and
  - b. Planning and Building Requirements; and
  - c. Exact meaning of words, such as "any" implies a limited number selected at the discretion of the reader, while "all" means every.
2. The type of materials that are allowed under the Program. Under the guidelines of the Program, no luxury upgrades are allowed. Deteriorated materials and components must be replaced with like materials. The write-up must include sufficient details to describe materials, subject work areas of the property, and the work to be completed i.e., remove 50 square feet of heavily soiled, grey shag carpeting in the master bedroom and replace with 50 square feet of wood laminate flooring.
3. Quantity.
4. Location of where the rehabilitation will occur, as in the bedroom, kitchen, etc.
5. Construction method and specific instructions of the proposed work, which sufficiently details the methods and work to be completed, such as "Power-wash, and prepare 1500 square feet of exterior stucco surfaces for painting with one coat of primer and two coats of flat exterior paint."
6. Special conditions, requirements, and/or installation method, as when working with lead contaminated areas, termite infestation, etc.
7. Performance standards, such as durability and warranties.
8. General provisions, which define rules that apply to all write-ups, such as definitions, process, etc.
9. Plans (when applicable).
10. No cross-outs or white out are allowed for deletion of line items. An amended work write-up must be printed out, reflecting any changes made, along with the date of amendment.

11. The Program Manager shall encourage the use of conservation techniques for water and energy efficiency. All eligible appliances shall meet ENERGY STAR® standards. Documentation must be kept on file that these features were offered and declined, or offered and accepted for each household served under the program
12. The Work Write-up must be saved in the project file created by the Program Manager for the specific case file.

**E. Program Contractor Estimate**

Along with the work write-up, the Program Contractor must prepare an estimate of costs for the proposed rehabilitation work. The staff estimate must be used as a guideline for the project budget.

**F. Work Write-up Containing Lead Work**

The Program Contractor must incorporate in the Work Write-Up all of the necessary inspections and assessments (i.e., lead, and termite), and if necessary, reduction work, utilizing the most appropriate and cost effective method, as defined in the LBP Hazard Reduction Guidelines.

**G. Property assessment and Write-up Timeline**

1. The property assessment must be scheduled up to fourteen (14) business days from the time eligibility was established.
2. Up to twenty-one (21) business days from the property assessment and receipt of the lead report, the Program Contractor must prepare a preliminary work write-up.
3. The homeowner must review and comment on the preliminary work write-up, up to fourteen (14) business days, thereafter. The Program Manager must conduct adequate follow-up to ensure that homeowner responds in a timely manner.
4. A final work write-up, reflecting any changes made, must be completed fourteen (14) business days from the receipt of the homeowner review. A copy of the final write-up must be provided to the homeowner, and the original must be maintained in the applicant file.
5. The Program Manager shall provide the Work Write up to the City for review and shall obtain the proper building permits, as required.
6. Program Contractors shall be responsible for obtaining the necessary building permits.

## H. Contractor Qualifications and Requirements

### 1. Lead-Based Hazard Services

- a. For homes built prior to 1978, a certified environmental company must perform a Lead-Based Hazard Inspection/Risk Assessment to test for lead hazards on surfaces to be disturbed during the rehabilitation process. All Inspection/Risk Assessments must be performed by qualified, experienced California Department of Health (CDPH) Certified Lead Inspectors/Risk Assessors. A post lead clearance is also required. Refer to the Lead Hazard Guidelines regarding Lead-Based Paint (LBP) hazard reduction requirements. The required inspection/assessment must be ordered on each grant application within five (5) business days from the time eligibility has been established.
- b. The Program Manager must obtain three bids and select a lead-based hazard inspection/risk assessment contractor to conduct the lead-based hazard inspections/risk assessments.
  - i. As required by the Program Agreement, the Program Manager must provide the HUD Programs Manager with the terms and the results of the procurement process utilized to select the contractor.
- c. Upon receipt of the Lead-Based Hazard Inspection/Risk Assessment Report, the Program Manager must provide copies to the applicant, who must sign an acknowledgement of receipt of the report.
- d. If a lead hazard is found on the property, a certified environmental company for lead abatement must be contracted. A certified lead abatement contractor - different from the lead inspector/assessor and clearance company - must be selected for the Lead-Based Hazard Abatement.
  - i. The Program Manager must obtain three bids before selecting the lead contractors to perform the lead-based hazard services.
  - ii. As required, the Program Manager must provide the HUD Programs Manager with the terms and the results of the procurement process utilized to select the contractor.

### 2. Termite Inspection and Extermination Services

- a. If a termite inspection is requested by the applicant, then the Program Manager must obtain three bids from certified termite companies provide an assessment report and an estimate, if required.

- b. Upon receipt of the termite assessment report, the Program Manager must provide copies to the applicant, who must then sign an acknowledgement of receipt of the report.
  - c. If termite abatement is required, the Program Manager must obtain a certification from the extermination company that the termites have been sufficiently cleared from the property.
    - i. The Program Manager shall obtain three (3) bids and utilize a certified termite extermination company.
    - ii. As required, the Program Manager must provide the HUD Programs Manager with the terms and the results of the procurement process utilized to select the contractor.
3. The Program Manager must ensure that the Program Contractors and all third-party Contractors meet the current Program requirements, in accordance with HUD and the California Contractors State License Board (CSLB), and the City of Inglewood:
- a. The appropriate State of California's Contractor License(s) are current and in good standing; and
  - b. Contractor's licensing bond is current at a minimum of \$15,000, as required by the Contractors State License Board (CSLB), as of June 2021; and
  - c. General Liability insurance is current for \$1,500,000 minimum coverage; and
  - d. Worker's Compensation and Employers Liability insurance is current as required by the State of California Labor Code in an amount not less than \$1,500,000; and
  - e. Professional Liability or Errors and Omissions Insurance in an amount of not less than \$1,500,000 per claim, may be required depending on the work or services to be performed; and
  - f. Contractor must not be debarred from HUD or any Federal Programs or from the State of California; and
  - g. Contractor qualifications must be checked, either annually or when a rehabilitation contract is awarded, to ensure compliance of licensing and insurance requirements; and
  - h. Contractor obtains and maintains a City of Inglewood Business Tax Certificate during the performance of the Program contract.
4. The Program Manager must ensure that the Lead-Based Hazard Contractors meet the current Program requirements:

- a. State of California Department of Health Services Lead-Related Construction Certifications for all workers and supervisors; and
- b. Commercial General Liability in an amount not less than 1,500,000 per occurrence and \$2,000,000 general aggregate;
- c. Professional Liability or Errors and Omissions Liability insurance in an amount not less than \$1,500,000 per claim.
- d. Worker's Compensation and Employer's Liability as required by the State of California Labor Code of an amount not less than \$1,000,000 per accident; and
- e. Current injury and illness prevention program plan; and
- f. Contractor qualifications must be checked, either annually or when a rehabilitation contract is awarded, to ensure compliance of licensing and insurance requirements; and
- g. EPA Lead Certification; and
- h. Contractor obtains and maintains a City of Inglewood Business Tax Certificate during the performance of the Program contract.

**I. Program Contractor Documentation**

The Program Manager must obtain and maintain the following documentation in the Contractor Qualification Packet for a minimum of five (5) years after Program/Project completion:

1. Qualification Application; and
2. Organizational Information Form; and
3. Equal Opportunity Forms; and
4. Non-debarment Certification; and
5. Copy of Contractors' License(s); and
6. Certificate of liability insurance naming the City as an additional certificate holder; and
7. Certificate of worker's compensation insurance naming the City as an additional certificate holder; and
8. Copy of City of Inglewood Business Tax Certificate; and
9. Copy of the Driver License; and

10. IRS Tax Form W-9 Tax Payer Number and Certification.

In addition to the above referenced documents, the Program Manager must obtain and maintain the following documentation in the Contractor Qualification Packet for a minimum of five (5) years after Program/Project completion for Lead-Based Hazards Contractors:

1. Copy of current State of California Department of Health Services Lead-Related Construction Certifications for all workers and supervisors; and
2. Liability and workers compensation insurance must cover lead-related work; and
3. Copy of medical reports and fit test respirator for all lead-certified workers and supervisors; and
4. Copy of the company's current site-specific injury and illness prevention program (IIPP) plan.

**J. Verification of Qualifications**

The Program Manager must review the application and verify pertinent information is obtained and maintained in the applicant files and/or in a Central File (see part K. of this Section), as follows:

1. Verification of licensing information through the California State License Board website at <http://www.cslb.ca.gov/consumers> .
2. Verification that the company has not been debarred by HUD, any Federal Program, or the State of California by accessing the following websites:
  - a. <http://epls.arnet.gov> for HUD debarments.
  - b. <http://www.dir.ca.gov/dlse/debar.html> for California debarments.

**K. Central File**

Once eligibility has been established, the Program Manager must set up a file that contains all of the required documentation and eligibility verifications. Proper follow-up is required to ensure that licensing, insurance, and debarment documentation is current prior to issuing a Notice to Proceed on any and every project to be funded by the Program.

## **Part V – FINAL HOMEOWNER APPLICATION EVALUATION AND APPROVAL**

### **A. Final Homeowner Application Evaluation**

Within seven (7) business days from the Program Contractor's work write up, the Program Contractor shall determine if a City of Inglewood Building Permit is required. If a permit or multiple permits are required, the Program Contractor shall order the permit(s).

The Program Manager must conduct a final evaluation of the applicant files to ensure compliance of all Program requirements. This final evaluation includes a review of the following:

1. Review Annual Income Certification to verify calculations are accurate and up to date; and
2. Confirm the household anticipated income determination is within the maximum income limit in effect at the time of approval; and
3. Verify that historic and environmental requirements were met and an environmental review was completed using the historic and flood information obtained; and
4. Verify that lead-based hazard requirements were met, per the Lead-Based Hazard Reduction Guidelines.

Upon completion of the final evaluation, the Program Manager must make a recommendation for Program application approval or denial. This recommendation must reflect the verified information of the final evaluation; and the basis of either the Program application approval or the denial.

#### **Program Application Approvals and Denials:**

Upon grant recommendation to approve the Homeowner Program Application by the Program Manager, the Program Manager must submit the applicant file to the City of Inglewood HUD Programs Manager for final review and approval, in the form and manner established by the HUD Programs Manager. The HUD Programs Manager and the City of Inglewood reserves the authority to approve or deny the application for valid reasons even after the application has been recommended for approval by the Program Manager. For example, if funding is unexpectedly no longer available, the application may be denied.

Once the HUD Program Manager approves the Applicant Application, the HUD Programs Manager, or the HUD Programs Manager designee, must notify the Program Manager in writing of the approval within five business days.

1. Program application approvals are good for thirty (30) days.
2. The grant documents must be executed prior to the 30-day deadline. A time extension may be granted, on a case-by-case basis.
3. No less than one hundred percent (100%) of grant proceeds must be used to rehabilitate the home.
4. No cash or other form of compensation shall be paid directly to the homeowner.
5. No more than fifteen percent (15%) of the grant may be used for administrative costs.
6. Denial: if eligibility is not established, the Program Manager must document the reason(s) for denial and inform the applicant of the reasons for the denial.
  - a. In the event of a denial of the Program application, the homeowner has the right to appeal the denial to the HUD Programs Manager. See Part 1, sub-part D. Conflict Resolution.
7. Upon approval or denial of application, the Program Manager must send the applicant a notification, via regular mail, within seven (7) business days from the date of determination. An email may be sent if requested by the homeowner. A copy of the notification must be retained in the applicant file.

## Part VI – FUNDING PROCEDURES

The program allows up to \$15,000 for the rehabilitation grant, and an additional fifteen percent (15%) of the grant amount for administrative costs for each rehabilitation project completed under the terms of the Program.

The City may, at its sole discretion and for critical safety rehabilitation projects that exceed the Program limit of \$15,000, may approve additional funding to complete a rehabilitation project, up to a maximum of \$25,000 in program funds and fifteen percent (15%) administrative costs to complete a rehabilitation project. The HUD Program Manager may approve the an increase to the Program limit to a maximum of \$25,000 in the event the critical health and safety work is part of the overall scope of work.

- Scenario 1: If a homeowner has agreed to have the roof rehabbed, and all estimates exceed \$15,000, but are less than \$25,000, then the City- at its discretion- may reasonably be expected to approve the grant overage of the amount not to exceed \$25,000.
- Scenario 2: If the homeowner needs a critical roof system rehab and a critical rehab to the plumbing system, and the estimates for both projects exceed \$15,000, but are less than \$25,000, then the City -at its discretion- may reasonably be expected to approve the grant overage, as long as completing both jobs does not exceed \$25,000.
- Scenario 3: If the homeowner has one or more critical safety systems that exceed \$15,000 to rehab, and exceed \$25,000, in total; then the Project Manager and the homeowner may have to select the project that is within the program grant limits that is the most critical to health and safety. At no time may the rehab project exceed \$25,000.
- Scenario 4: If the homeowner has a rehab project that exceeds even the highest grant limit of \$25,000 for consideration, then the homeowner does not qualify for the program.

Every possible scenario cannot be accounted for in these Guidelines, and it will be up to the HUD Programs Manager to determine approval or denial of grant applications that fall outside of these guidelines, on a case-by-case basis.

## **Part VII – CONSTRUCTION MANAGEMENT AND PROGRAM DELIVERY PROCEDURES**

### **A. Program Management Roles**

City Management and Monitoring - The HUD Program Manager and City staff is responsible for the monitoring of the progress of the overall Program and the rehabilitation projects. City Staff is expected to visit the Project Manager's place of business as well as the project sites, on occasion, to ensure the Program requirements are being adhered to, administratively, and on the project sites. Site visits and formal monitoring visits may be scheduled and conducted with advanced notice. However, it is not required for City staff to provide advanced notice for site visits during normal business hours during the period of performance of a rehabilitation project.

Program Management – The Program Manager is responsible for the administration of the Program and for effectively communicating and coordinating with all involved the day-to-day operations for Program delivery. The Program Manager must keep accurate records; document all efforts, services, and activities related to Program delivery; manage the Program budget and the timeliness of program delivery; and ensure that correspondence for all parties is promptly followed-up with adequate documentation to administer and deliver a successful Minor Home Rehabilitation Program for the residents of the City of Inglewood. Any and all delays to program delivery must be reported to the HUD Program Manager, promptly.

Construction Management - The Construction Manager is responsible for monitoring and managing the project management activities of all projects and scheduling the required inspections with the City of Inglewood Building Inspector, when required. Any obstacles encountered that are a cause for excessive delays in program delivery must be reported to the HUD Program Manager. Any and all delays to program delivery must be reported to the Program Manager, promptly.

### **B. Pre-Construction Conference**

Prior to the start of the construction work, the Program Contractor and Program Manager must conduct a pre-construction conference with the homeowner at the homeowner's home – the project site.

The Program Manager must schedule the pre-construction conference within seven (7) business days from the signing of the grant agreement documents to review the roles and responsibilities of each party; and the work write-up, rehabilitation process, project timeline, and other terms and requirements stipulated in the Rehabilitation Agreement. The homeowner and the Program Contractor must address any questions or concerns regarding the work to be performed.

In order to begin rehabilitation, the written Rehabilitation Agreement must be executed prior to issuing a written Notice to Proceed. No rehabilitation work will commence until the written Agreement is signed by the homeowner(s), the Program Manager, and approved and signed by the HUD Program Manager, or the designee.

**C. Agreement for Rehabilitation**

The homeowner and Program Manager must execute a Rehabilitation Agreement which specifies the rehabilitation and improvements to be undertaken through the terms of the Program. The Rehabilitation Agreement is the contract amongst the homeowner(s), the Program Manager, and the City of Inglewood. The City of Inglewood is the third party to the Rehabilitation Agreement. The Agreement must include the following:

1. The Rehabilitation Agreement amongst the Homeowner, the Program Manager, and the City of Inglewood, executed by the HUD Programs Manager, or the designee; and
2. The Work Write Up and any construction plans, as required by the City of Inglewood Building Inspector.

Rehabilitation Agreements are required for any work completed using CDBG funds. A Work-write up signed by the owner, is required for all work to be completed using CDBG Program funds.

**D. Notice to Proceed**

The Program Contractor is authorized to begin the home rehabilitation when they receive a written Notice to Proceed from the Program Manager. Any work the Program Manager completes before receipt of a Notice to Proceed shall be ineligible for compensation or reimbursement.

A Notice to proceed must be issued for all other third-party contractors or sub-contractors, such as contractors for lead or termite extermination.

**E. Building Permits**

Prior to the start of construction, the Program Contractor must procure the appropriate permits and approvals, as required by the City of Inglewood and other local agencies. The Program Contractor shall not start any work without obtaining an executed Notice to Proceed. The Program Contractor must comply with permit requirements in order to receive payment for work completed.

**F. Payment Schedule**

1. One payment shall be made when work is completed for each approved Program grant application.
2. Completed, inspected, and final approval of work is eligible for payment. Final invoices for completed Rehabilitation projects shall be promptly processed for satisfactory work.

3. Permit Payment Process: When a building permit is required, the Program Contractor may contact the City of Inglewood Building Inspector in the City of Inglewood Building Safety Division, directly, for an inspection, and - when ready – to request a final signature on the building permit.

**G. Requests for Final Payments/Purchase Orders**

1. Upon the execution of the Program Service Agreement between the City of Inglewood and the Program Manager Agency, the City of Inglewood HUD Programs Manager shall initiate a Purchase Order (PO) to be set-up in the City of Inglewood Finance Department for the full amount of the Service Agreement/Contract. The PO shall be set-up once the Program Agreement between the City of Inglewood and the Program Manager Agency has been fully executed by all parties and the appropriate Notice to Proceed has been issued to the Program Manager Agency by the HUD Program Manager, on behalf of the City of Inglewood.
2. Requests for payment must be made by submitting a File Packet to the Program Manager for each Rehabilitation project completed. At a minimum, the File Packet must contain the following:
  - a. Final invoice for the total amount due under the terms of the Rehabilitation Agreement between the Program Manager and the Homeowner, and approved by the HUD Program Manager; and
  - b. Authorization to Release Payment is signed and dated by the homeowner; and
  - c. Lien release(s) signed-off by all contractors, sub-contractors, laborers, vendors, and suppliers contracted to perform work, or supply goods or services in connection with the Rehabilitation project delivery; and
  - d. Copies of any and all Rehabilitation Project Agreements including the work write-up between the homeowner and the Program Manager Agency; change order agreements for all goods and services subject for compensation in connection with the Rehabilitation project delivery; and
  - e. Copies of any and all invoices, receipts, and agreements, change order agreements from all contractors, sub-contractors, laborers, vendors, and suppliers of goods and services subject for compensation in connection with the Rehabilitation project delivery; and
  - f. Copies of the before and after pictures of the rehabilitation work completed in accordance with the Rehabilitation Agreement; and
  - g. Copies of timesheets, project spreadsheets or other project management tools used to manage the Rehabilitation project delivery; and,

3. The Program Manager must verify the terms of the Rehabilitation Agreement have been fulfilled; the work being invoiced has been completed; and all charges are correct.

If the final invoice meets the above standards, the invoice for final payment must be signed and submitted to the HUD Programs Manager for review and approval by the City of Inglewood HUD Programs. Missing or incomplete documents from the File Packet will result in the delay of the release of payments.

All efforts should be employed to ensure the Rehabilitation completed file packets are submitted to the HUD Programs Manager, on a regular basis. Under most circumstances, requests for final payments should be submitted to the HUD Programs Manager within thirty (30) days from the completion date of each rehabilitation project.

Once the completed file packet is submitted to the HUD Programs Manager for review and approval, the HUD Programs Manager will generate a Receiving Report for each rehabilitation project successfully completed under the terms of the Program. The Receiving Report will be submitted to the City Finance Department and added to the Warrant Register for consideration to approve the payment by the City Council during a subsequent, regularly scheduled City Council Meeting. Once a payment has been approved by the City Council, the payment will be issued within the normal course of business. Typically, payments are processed within thirty (30) days from the receipt of the completed File Packet.

#### **H. Change Orders**

No change in the scope of work - as described in the Work Write-up/Cost Estimate, and/or Specifications and/or Plans and Drawings - shall be made except upon the mutual written consent of the Property Owner and Program Manager. At no time shall the cost of the work exceed \$15,000 without prior authorization by the HUD Programs Manager. The cost of work may exceed the \$15,000 grant amount up to a total project cost of \$25,000, if the HUD Programs Manager makes a determination in writing that there is a critical safety need for the rehabilitation overage. See Part IV - Program Procedures.

The Program Manager, Program Contractor, or any sub-contractors, or third party-vendors shall not be entitled to any compensation for any additional work unless a written Change Order Agreement is made and executed by and between the Property Owner and Program Manager, and approved by the HUD Programs Manager.

The Change Order Agreement must contain the following:

1. A detailed description of the proposed additional work to be completed; and
2. An estimate time for completion of the proposed additional work; and
3. The terms of compensation to be paid for the proposed additional work to be completed.

- a. In accordance with the Agreement as modified by the proposed Change Order, the terms of compensation must include any additional compensation for the Program Manager, if applicable; the Program Contractor, if applicable; any and all sub-contractors and vendors directly impacted by the proposed Change Order.
4. In accordance with the Rehabilitation Agreement, all Change Order Agreements must be approved by the HUD Programs Manager or other duly authorized City staff. If changes are made without each party's authorization, the Rehabilitation Agreement shall be subject for termination.

## I. Reporting

The Program Manager shall provide the following Periodic Reports to the HUD Programs Manager according terms of the Program Service Agreement in effect between the City of Inglewood and the Program Manager Agency, as described below:

**Bi-monthly Reports** - In the occurrence of a Program Service Agreement in effect between the City of Inglewood and the Program Manager Agency of less than twelve months, bi-monthly reports ([Appendix G](#)) shall be required and due 15 days after each two-month reporting period;

**Quarterly Reports** - In the occurrence of a twelve-month or more Program Service Agreement in effect between the City of Inglewood and the Program Manager Agency, Quarterly Reports ([Appendix H](#)) shall be required and due 15 days after the quarterly reporting period.

Periodic Reports may be due at different intervals in accordance with the Program Service Agreement in effect between the City of Inglewood and the Program Manager Agency. .

**Minor Home Rehabilitation End of Year Summary Report** – Regardless of the length of the Service Agreement, an End of Year Summary Report ([Appendix I](#)) shall be due within thirty (30) days after the close of the Program Service Agreement in effect between the City of Inglewood and the Program Manager Agency. A summary of the accomplishments achieved during the entire course of the Program Service Agreement Period shall be submitted to the HUD Programs Manager.

**J. Warranties**

The Program Contractor must comply with State law regarding all labor and material warranties. The Program Contractor must warrant that all rehabilitation work meets the current acceptable industry standards of the trade and are free from defects. The Program Contractor must warrant that any defects found within twelve (12) months from the date of completion must be repaired or replaced, at the contractor's option and at no expense to Property Owner or to the City of Inglewood.

The Program Contractor must provide to the homeowner commercially reasonable written warranties and guarantees from its contractors, sub-contractors, vendors and suppliers. The Program Contractor must give the homeowner a reasonable opportunity to purchase any additional or extended warranties available for purchase from contractors, sub-contractors, vendors and suppliers.

**K. Termite / Fumigation**

The Program Manager must coordinate termite fumigation with homeowner, Termite Company, and the general contractor, as applicable. See Part IV of this document.

**L. Termination of Rehabilitation Agreement**

The homeowner and the Program Manager have the right to terminate the Rehabilitation Agreement upon a three (3) days' written notice after the execution of the Rehabilitation Agreement. Such termination is effective on the date such notice is personally served, electronically transmitted via email, or forty-eight (48) hours after deposit of the notice in the custody of the United States (U.S.) Postal Service, as reflected by the official postmark of the U.S. Postal Service.

## **Part VIII – GRANT CLOSURE PROCEDURES**

### **A. File Completion and Close-out**

Upon release of final payment, the Program Manager must close-out the project file as follows:

1. The Program Manager must reconcile the project expenditures, and ensure the file contains copies of the all requests for estimates, bid quotations, demands, authorizations for payment, inventory of materials used, and checks issued.
2. The Program Manager must ensure the applicant file contains before and after photographs of the work completed. Such photographs are to be filed in the applicant's master file to illustrate the accomplishments of the Program. Before and after pictures may be included and made part of the Program Periodic Reports.

**Part IX – LIST OF APPENDICES**

*The following List of Appendices is not intended to be a comprehensive list of all forms and documents to be used for the delivery of this Program. These appendices are samples and may be modifiable. The HUD Programs Manager or the Program Manager may create, recreate, update, or otherwise revise forms to ensure all applicant files are consistent and contain the proper information, documentation, acknowledgements, disclosures, verifications, and certifications for Program delivery. All forms used by the Program Manager are reviewable by the HUD Programs Manager and may be revised, as required, under the guidance of HUD; the City of Inglewood; or for reasons of best practices. All forms must be used consistently for all applicants, as appropriate.*

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**APPENDICES:**

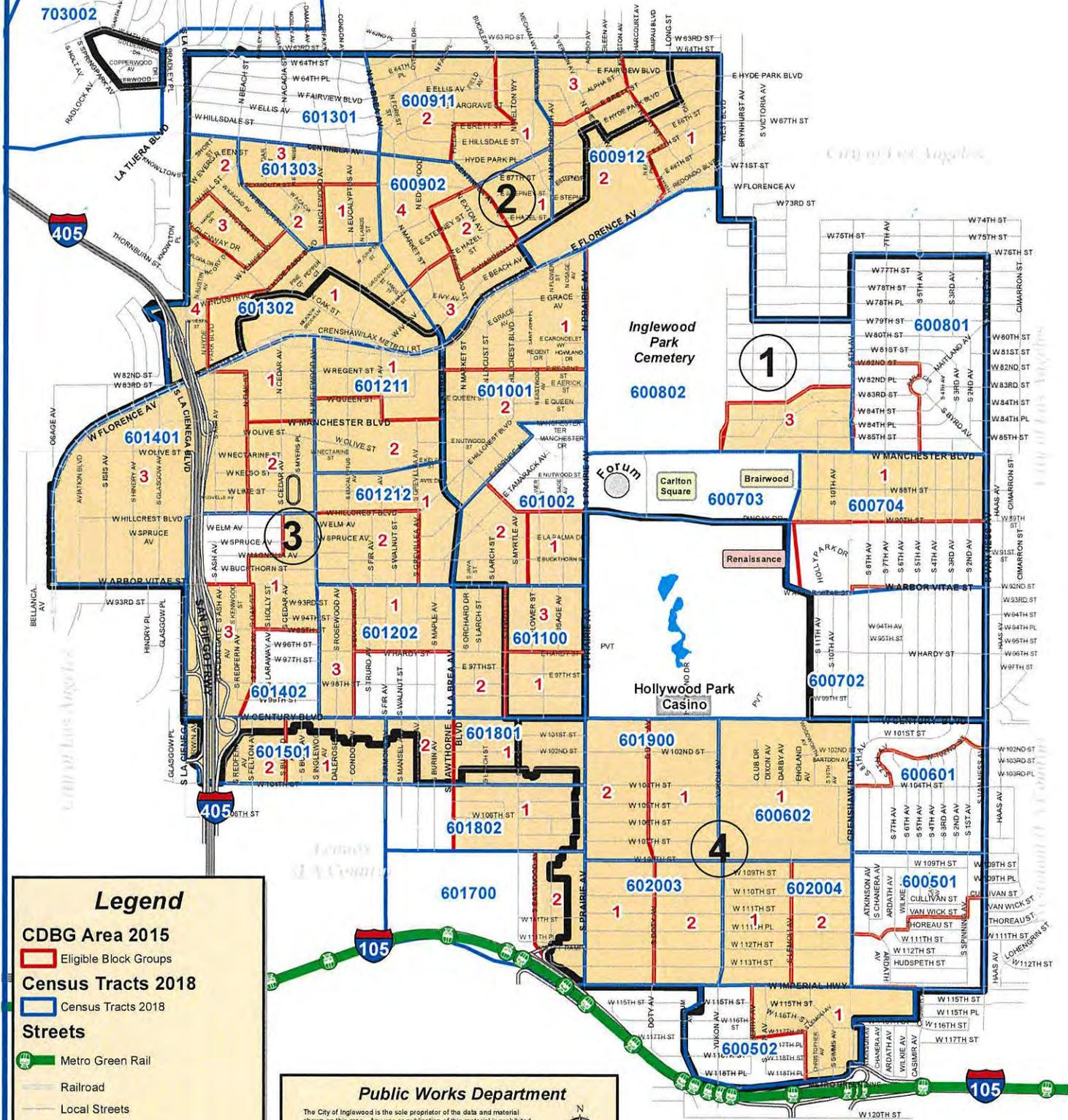
- A. City Limits Map
- B. "Protect your Family for Lead in Your Home" – Brochure, published by the Environmental Protection Agency (EPA) United States, March 2021
- B-1. Lead Based Paint Hazard Reduction Guidelines
- C. File Checklist
- D. Technical Guide for Determining Income and Allowances for CDBG/HOME Programs
- E. Authorization for Release of Information
- F. Historic and Architectural Assessment
- G. Bi-Monthly Report Form
- H. Quarterly Report Form
- I. Year-End Summary Report

# APPENDIX A

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# City of Inglewood 2015 CDBG Areas



**Legend**

**CDBG Area 2015**  
 Eligible Block Groups

**Census Tracts 2018**  
 Census Tracts 2018

**Streets**

- Metro Green Rail
- Railroad
- Local Streets
- Major Arterial
- Freeway On/Off Ramp
- Freeway

**Jurisdictional Boundaries**

**Public Works Department**

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Created by: GIS Staff  
 Date: August 2019  
 For more information, call 310-412-5333

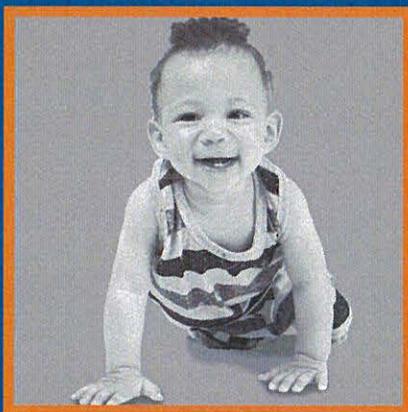
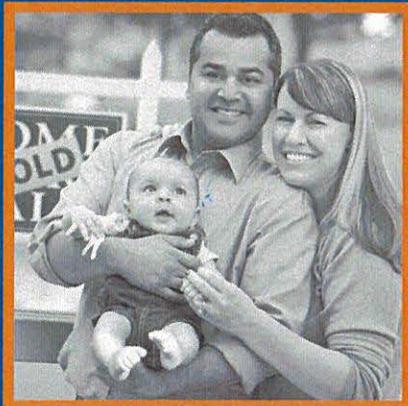
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Lambert Projection

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# APPENDIX B

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# Protect Your Family From Lead in Your Home

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 **EPA** United States  
Environmental  
Protection Agency

 United States  
Consumer Product  
Safety Commission

 United States  
Department of Housing  
and Urban Development

## Are You Planning to Buy or Rent a Home Built Before 1978?

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Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

### Read this entire brochure to learn:

- How lead gets into the body
- How lead affects health
- What you can do to protect your family
- Where to go for more information

### Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint or lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

### If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right*, to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



## Simple Steps to Protect Your Family from Lead Hazards

### **If you think your home has lead-based paint:**

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at [epa.gov/lead](http://epa.gov/lead).
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- Remove shoes or wipe soil off shoes before entering your house.

## Lead Gets into the Body in Many Ways

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### Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

### Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



### Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

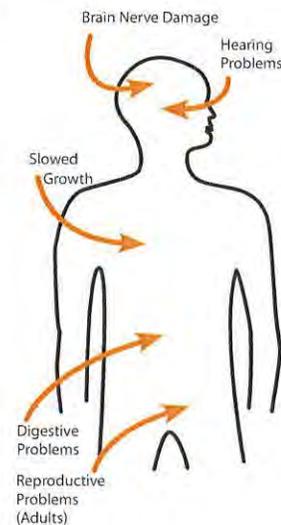
## Health Effects of Lead

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**Lead affects the body in many ways.** It is important to know that even exposure to low levels of lead can severely harm children.

### In children, exposure to lead can cause:

- Nervous system and kidney damage
- Learning disabilities, attention-deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage



While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

### In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

## Check Your Family for Lead

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**Get your children and home tested if you think your home has lead.**

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

**Your doctor can explain what the test results mean and if more testing will be needed.**

## Where Lead-Based Paint Is Found

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In general, the older your home or childcare facility, the more likely it has lead-based paint.<sup>1</sup>

**Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint.** In 1978, the federal government banned consumer uses of lead-containing paint.<sup>2</sup>

Learn how to determine if paint is lead-based paint on page 7.

### Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at [epa.gov/lead](https://www.epa.gov/lead).

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<sup>1</sup> "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm<sup>2</sup>), or more than 0.5% by weight.

<sup>2</sup> "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

## Identifying Lead-Based Paint and Lead-Based Paint Hazards

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**Deteriorated lead-based paint (peeling, chipping, chalking, cracking, or damaged paint)** is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

**Lead-based paint is usually not a hazard if it is in good condition** and if it is not on an impact or friction surface like a window.

**Lead dust** can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 10 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) and higher for floors, including carpeted floors
- 100  $\mu\text{g}/\text{ft}^2$  and higher for interior window sills

**Lead in soil** can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

**Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.**

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

## Checking Your Home for Lead

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You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.



Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

## Checking Your Home for Lead, continued

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In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit [epa.gov/lead](https://www.epa.gov/lead), or call **1-800-424-LEAD (5323)** for a list of contacts in your area.<sup>3</sup>

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<sup>3</sup> Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

## What You Can Do Now to Protect Your Family

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### **If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:**

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

## Reducing Lead Hazards

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**Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.**



- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead-safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

**Always use a certified contractor who is trained to address lead hazards safely.**

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement contractor. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

## Reducing Lead Hazards, continued

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**If your home has had lead abatement work done** or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 10 micrograms per square foot ( $\mu\text{g}/\text{ft}^2$ ) for floors, including carpeted floors
- 100  $\mu\text{g}/\text{ft}^2$  for interior windows sills
- 400  $\mu\text{g}/\text{ft}^2$  for window troughs

**Abatement is designed to permanently eliminate lead-based paint hazards.** However, lead dust can be reintroduced into an abated area.

- Use a HEPA vacuum on all furniture and other items returned to the area, to reduce the potential for reintroducing lead dust.
- Regularly clean floors, window sills, troughs, and other hard surfaces with a damp cloth or sponge and a general all-purpose cleaner.

Please see page 9 for more information on steps you can take to protect your home after the abatement. For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 15 and 16), [epa.gov/lead](http://epa.gov/lead), or call 1-800-424-LEAD.

## Renovating, Repairing or Painting a Home with Lead-Based Paint

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**If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:**

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*



**RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:**

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects, visit [epa.gov/getleadsafe](http://epa.gov/getleadsafe), or read *The Lead-Safe Certified Guide to Renovate Right*.

## Other Sources of Lead

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### Lead in Drinking Water

The most common sources of lead in drinking water are lead pipes, faucets, and fixtures.

Lead pipes are more likely to be found in older cities and homes built before 1986.

You can't smell or taste lead in drinking water.

To find out for certain if you have lead in drinking water, have your water tested.

Remember older homes with a private well can also have plumbing materials that contain lead.

### Important Steps You Can Take to Reduce Lead in Drinking Water

- Use only cold water for drinking, cooking and making baby formula. Remember, boiling water does not remove lead from water.
- Before drinking, flush your home's pipes by running the tap, taking a shower, doing laundry, or doing a load of dishes.
- Regularly clean your faucet's screen (also known as an aerator).
- If you use a filter certified to remove lead, don't forget to read the directions to learn when to change the cartridge. Using a filter after it has expired can make it less effective at removing lead.

Contact your water company to determine if the pipe that connects your home to the water main (called a service line) is made from lead. Your area's water company can also provide information about the lead levels in your system's drinking water.

For more information about lead in drinking water, please contact EPA's Safe Drinking Water Hotline at 1-800-426-4791. If you have other questions about lead poisoning prevention, call 1-800 424-LEAD.\*

Call your local health department or water company to find out about testing your water, or visit [epa.gov/safewater](https://www.epa.gov/safewater) for EPA's lead in drinking water information. Some states or utilities offer programs to pay for water testing for residents. Contact your state or local water company to learn more.

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13 \*Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8339.

## Other Sources of Lead, continued

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- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.<sup>4</sup>
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as "**greta**" and "**azarcon,**" used to treat an upset stomach.

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<sup>4</sup> In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint. In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products.

## For More Information

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### **The National Lead Information Center**

Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at [epa.gov/lead](http://epa.gov/lead) and [hud.gov/lead](http://hud.gov/lead), or call **1-800-424-LEAD (5323)**.

### **EPA's Safe Drinking Water Hotline**

For information about lead in drinking water, call **1-800-426-4791**, or visit [epa.gov/safewater](http://epa.gov/safewater) for information about lead in drinking water.

### **Consumer Product Safety Commission (CPSC) Hotline**

For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772**, or visit CPSC's website at [cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov).

### **State and Local Health and Environmental Agencies**

Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at [epa.gov/lead](http://epa.gov/lead), or contact the National Lead Information Center at **1-800-424-LEAD**.

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at **1-800-877-8339**.

## U. S. Environmental Protection Agency (EPA) Regional Offices

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The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

**Region 1** (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact  
U.S. EPA Region 1  
5 Post Office Square, Suite 100, OES 05-4  
Boston, MA 02109-3912  
(888) 372-7341

**Region 2** (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact  
U.S. EPA Region 2  
2890 Woodbridge Avenue  
Building 205, Mail Stop 225  
Edison, NJ 08837-3679  
(732) 906-6809

**Region 3** (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact  
U.S. EPA Region 3  
1650 Arch Street  
Philadelphia, PA 19103  
(215) 814-2088

**Region 4** (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact  
U.S. EPA Region 4  
AFC Tower, 12th Floor, Air, Pesticides & Toxics  
61 Forsyth Street, SW  
Atlanta, GA 30303  
(404) 562-8998

**Region 5** (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact  
U.S. EPA Region 5 (LL-17J)  
77 West Jackson Boulevard  
Chicago, IL 60604-3666  
(312) 353-3808

**Region 6** (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact  
U.S. EPA Region 6  
1445 Ross Avenue, 12th Floor  
Dallas, TX 75202-2733  
(214) 665-2704

**Region 7** (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact  
U.S. EPA Region 7  
11201 Renner Blvd.  
Lenexa, KS 66219  
(800) 223-0425

**Region 8** (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact  
U.S. EPA Region 8  
1595 Wynkoop St.  
Denver, CO 80202  
(303) 312-6966

**Region 9** (Arizona, California, Hawaii, Nevada)

Regional Lead Contact  
U.S. EPA Region 9 (CMD-4-2)  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 947-4280

**Region 10** (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact  
U.S. EPA Region 10 (20-C04)  
Air and Toxics Enforcement Section  
1200 Sixth Avenue, Suite 155  
Seattle, WA 98101  
(206) 553-1200

## Consumer Product Safety Commission (CPSC)

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The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

### CPSC

4330 East West Highway  
Bethesda, MD 20814-4421  
1-800-638-2772  
[cpsc.gov](http://cpsc.gov) or [saferproducts.gov](http://saferproducts.gov)

## U. S. Department of Housing and Urban Development (HUD)

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact to Office of Lead Hazard Control and Healthy Homes for further information regarding the Lead Safe Housing Rule, which protects families in pre-1978 assisted housing, and for the lead hazard control and research grant programs.

### HUD

451 Seventh Street, SW, Room 8236  
Washington, DC 20410-3000  
(202) 402-7698  
[hud.gov/lead](http://hud.gov/lead)

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U. S. EPA Washington DC 20460  
U. S. CPSC Bethesda MD 20814  
U. S. HUD Washington DC 20410

EPA-747-K-12-001  
March 2021

## **IMPORTANT!**

### **Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly**

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children and babies even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).

# APPENDIX B-1

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## APPENDIX B-1

### MINOR HOME REHABILITATION PROGRAM Lead-Based Paint and Lead Hazards Guidelines

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#### LEAD-BASED PAINT COMPLIANCE/MONITORING

Current United States Department of Housing and Urban Development (HUD) lead-based paint regulations require that grantees ensure that residential occupants, homeowners, and homebuyers are notified of the hazards of lead-based paint. All state and local housing programs supported with HUD funds must meet the basic requirements as found in the HUD regulations at Title 24: Part 35—Lead-Based Paint Poisoning Prevention In Certain Residential Structures, referenced in part throughout this document. However, the regulations at 24 CFR 35 in its entirety should be referenced in the delivery of the Minor Home Rehabilitation Program. The HUD programs affected by the new lead regulations are:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership Program (HOME).

#### 24 CFR 35 Rehabilitation Program Subpart J - Rehabilitation

#### Calculating Federal Rehabilitation Assistance 24 CFR 35.915

(a) *Applicability.* This section applies to recipients of Federal rehabilitation assistance.

(b) *Rehabilitation assistance.*

(1) Lead-based paint requirements for rehabilitation fall into three categories that depend on the amount of Federal rehabilitation assistance provided. The three categories are:

- (i) Assistance of up to and including \$5,000 per unit;
- (ii) Assistance of more than \$5,000 per unit up to and including \$25,000 per unit;
- (iii) Assistance of more than \$25,000 per unit.

#### Notification

The following notification requirements apply to all units receiving Federal assistance for rehabilitation:

- **Lead Hazard Information Pamphlet and Disclosure [24 CFR 35.910, 35.130]** – Unit occupants must receive the HUD/EPA/CPSC pamphlet “Protect Your Family from Lead in Your Home” or an EPA-approved alternative. The pamphlet provides educational information describing lead-based paint hazards. Also, if a pre-1978 unit is known to contain lead-based paint or lead based hazards, owners must notify tenants or prospective purchasers.
- **Notices of Hazard Evaluation and Reduction [24 CFR 35.910]** – Unit occupants must be notified of any lead hazard evaluation results (or the presumption of lead-based paint/hazards) and of the hazard reduction activities and clearance.

## Appendix B-1

### Lead Hazard Evaluation

- Each unit must be evaluated to identify lead hazards. The required method of evaluation depends on the level of rehabilitation assistance. Methods include paint testing of surfaces to be disturbed by rehabilitation and conducting a risk assessment.

### Lead Hazard Reduction

The level of hazard reduction required depends on the level of assistance.

- **Repair of Paint Disturbed During Rehabilitation** – Includes repairing disturbed paint and applying a new coat of paint.
- **Interim Controls and Standard Treatments** – Includes addressing friction and impact surfaces, creating smooth and cleanable surfaces; encapsulation, removing or covering lead-based paint components, and paint stabilization.
- **Abatement** – Abatement involves permanently removing lead-based paint hazards, often through paint and component removal, and enclosure.
- **Safe Work Practices** – Safe work practices must be used for all work on lead-based paint surfaces. Safe work practices are required on interior surfaces larger than 2 feet (2') and on exterior surfaces larger than 20 feet (20').
- **Clearance [24 CFR 35.1340]** – Clearance must be performed by a certified professional to check if rehabilitated units are safe for future occupants.

### Ongoing Maintenance

- Ongoing maintenance, monitoring, and cleaning are required for some properties having an ongoing relationship with the funding program (i.e. rental property). For all other properties, ongoing maintenance is recommended, *though not required*.

### Environmental Intervention Blood Lead Level (EIBLL) Child

No requirements apply for rehabilitation projects.

### Definitions:

**Lead-based paint:** *Paint or other surface coatings that contain lead equal to or exceeding 1.0 milligram per square centimeter or 0.5 percent by weight or 5,000 parts per million (ppm) by weight.*

**Lead-based paint hazard:** *Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects, as established by the appropriate Federal agency.*

## Appendix B-1

**Lead-based paint inspection:** A surface-by-surface investigation to determine the presence of lead-based paint and the provision of a report explaining the results of the investigation.

**Lead hazard screen:** A limited risk assessment activity that involves paint testing and dust sampling and analysis as described in 40 CFR 745.227(c) and soil sampling and analysis as described in 40 CFR 745.227(d).

**Owner:** Any entity that has legal title to target housing, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations, except where a mortgagee holds legal title to property serving as collateral for a mortgage loan, in which case the owner would be the mortgagor.

**Reduction:** Measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls and abatement.

### **Residential Dwelling:**

1. A single-family dwelling, including attached structures such as porches and stoops; or
2. A single-family dwelling unit in a structure that contains more than one separate residential dwelling unit, and in which each such unit is used or occupied, or intended to be used or occupied, in whole or in part, as the residence of one or more persons.

**Risk Assessment:** An on-site investigation to determine and report the existence, nature, severity, and location of lead-based paint hazards in residential dwellings, including:

1. Information gathering regarding the age and history of the housing and occupancy by children under age 6;
2. Visual inspection;
3. Limited wipe sampling or other environmental sampling techniques;
4. Other activity as may be appropriate; and
5. Provision of a report explaining the results of the investigation.

### **Evaluation and hazard reduction requirements - 24 CFR 35.930**

(a) Paint testing. The grantee or participating jurisdiction shall either perform paint testing on the painted surfaces to be disturbed or replaced during rehabilitation activities, or presume that all these painted surfaces are coated with lead-based paint.

(b) Residential property receiving an average of up to and including \$5,000 per unit in Federal rehabilitation assistance. Each grantee or participating jurisdiction shall:

- (1) Conduct paint testing or presume the presence of lead-based paint, in accordance with paragraph (a) of this section. If paint testing indicates that the painted surfaces are not coated with lead-based paint, safe work practices and clearance are not required.

## Appendix B-1

(2) Implement safe work practices during rehabilitation work in accordance with 35.1350 and repair any paint that is disturbed.

(3) After completion of any rehabilitation disturbing painted surfaces, perform a clearance examination of the worksite(s) in accordance with 35.1340. Clearance is not required if rehabilitation did not disturb painted surfaces of a total area more than that set forth in 24 CFR 35.1350(d).

(c) Residential property receiving an average of more than \$5,000 and up to and including \$25,000 per unit in Federal rehabilitation assistance. Each grantee or participating jurisdiction shall:

(1) Conduct paint testing or presume the presence of lead-based paint, in accordance with paragraph (a) of this section.

(2) Perform a risk assessment in the dwelling units receiving Federal assistance, in common areas servicing those units, and exterior painted surfaces, in accordance with 35.1320(b), before rehabilitation begins.

(3) Perform interim controls in accordance with 24 CFR 35.1330 of all lead-based paint hazards identified pursuant to paragraphs (c)(1) and (c)(2) of this section.

(4) Implement safe work practices during rehabilitation work in accordance with 24 CFR 35.1350 and repair any paint that is disturbed and is known or presumed to be lead-based paint.

(d) Residential property receiving an average of more than \$25,000 per unit in Federal rehabilitation assistance. Each grantee or participating jurisdiction shall:

(1) Conduct paint testing or presume the presence of lead-based paint in accordance with paragraph (a) of this section.

(2) Perform a risk assessment in the dwelling units receiving Federal assistance and in associated common areas and exterior painted surfaces in accordance with 24 CFR 35.1320(b) before rehabilitation begins.

(3) Abate all lead-based paint hazards identified by the paint testing or risk assessment conducted pursuant to paragraphs (d)(1) and (d)(2) of this section, in accordance with 35.1325, except that interim controls are acceptable on exterior surfaces that are not disturbed by rehabilitation and on paint-lead hazards that have an area smaller than the de minimis limits of 24 CFR 35.1350(d). If abatement of a paint-lead hazard is required, it is necessary to abate only the surface area with hazardous conditions.

(4) Implement safe work practices during rehabilitation work in accordance with 35.1350 and repair any paint that is disturbed and is known or presumed to be lead-based paint.

## Appendix B-1

### Prior Evaluation or Hazard Reduction - 24 CFR 35.165

If an evaluation or hazard reduction was conducted at a residential property or dwelling unit before the property or dwelling unit became subject to the requirements of 24 CFR 35, such an evaluation, hazard reduction or abatement meets the current requirements of this part and need not be repeated under the following conditions:

(a) Lead-based paint inspection.

(1) A lead-based paint inspection conducted before March 1, 2000, meets the requirements of this part if:

(i) At the time of the inspection the lead-based paint inspector was approved by a State or Indian tribe to perform lead-based paint inspections. It is not necessary that the State or tribal approval program had EPA authorization at the time of the inspection.

(ii) Notwithstanding paragraph (a)(1)(i) of this section, the inspection was conducted and accepted as valid by a housing agency in fulfillment of the lead-based paint inspection requirement of the public and Indian housing program.

(2) A lead-based paint inspection conducted on or after March 1, 2000, must have been conducted by a certified lead-based paint inspector.

(b) Risk assessment.

(1) A risk assessment must be no more than 12 months old to be considered current.

(2) A risk assessment conducted before March 1, 2000, meets the requirements of this part if, at the time of the risk assessment, the risk assessor was approved by a state or Indian Tribe to perform risk assessments. It is not necessary that the state or tribal approval program had EPA authorization at the time of the risk assessment.

(3) A risk assessment conducted on or after March 1, 2000, must have been conducted by a certified risk assessor.

(4) Paragraph (b) of this section does not apply in a case where a risk assessment is required in response to the identification of a child with an elevated blood lead level. In such a case, the requirements in the applicable subpart for responding to a child with an elevated blood lead level shall apply. *Refer to 24 CFR 35 in its entirety for application.*

(c) Interim controls. If a residential property is under a program of interim controls and ongoing lead-based paint maintenance and reevaluation activities established pursuant to a risk assessment conducted in accordance with paragraph (b) of this section, the interim controls that have been conducted meet the requirements of this part if clearance was achieved after such controls were

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implemented. In such a case, the program of interim controls and ongoing activities shall be continued in accordance with the requirements of this part.

(d) Abatement.

(1) An abatement conducted before March 1, 2000, meets the requirements of this part if:

(i) At the time of the abatement the abatement supervisor was approved by a State or Indian tribe to perform lead-based paint abatement. It is not necessary that the State or tribal approval program had EPA authorization at the time of the abatement.

(ii) Notwithstanding paragraph (d)(1)(i) of this section, it was conducted and accepted by a housing agency in fulfillment of the lead-based paint abatement requirement of the public housing program or by an Indian housing authority (as formerly defined under the U.S. Housing Act of 1937) in fulfillment of the lead-based paint requirement of the Indian housing program formerly funded under the U.S. Housing Act of 1937.

(2) An abatement conducted on or after March 1, 2000, must have been conducted under the supervision of a certified lead-based paint abatement supervisor.

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### Methods and Standards for Lead-Paint Hazard Evaluation and Hazard Reduction Activities - 24 CFR 35 – Subpart R

#### Purpose and Applicability - 24 CFR 35.1300

The purpose of this section is to provide standards and methods for evaluation and hazard reduction activities, as required. Further guidance information regarding evaluation and hazard reduction activities described in this subpart is found in the following:

- (a) The HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing;
- (b) The EPA Guidance on Residential Lead-Based Paint, Lead-Contaminated Dust, and Lead Contaminated Soil;
- (c) Guidance, methods or protocols issued by States and Indian tribes that have been authorized by EPA under 40 CFR 745.324 to administer and enforce lead-based paint programs.

#### Collection and Laboratory Analysis of Samples - 24 CFR 35.1315

All paint chip, dust, or soil samples shall be collected and analyzed in accordance with standards established -either by a State or Indian tribe under a program authorized by EPA in accordance with 40 CFR part 745, subpart Q, or by the EPA in accordance with 40 CFR 745.227, and as further provided in this subpart.

#### Lead-based paint inspections, paint testing, risk assessments, lead-hazard screens, and reevaluations - 24 CFR 35-1320.

- (a) Lead-based paint inspections and paint testing. Lead-based paint inspections shall be performed in accordance with methods and standards established either by a State or Tribal program authorized by the EPA under 40 CFR 745.324, or by the EPA at 40 CFR 745.227(b) and (h). Paint testing to determine the presence or absence of lead-based paint on deteriorated paint surfaces or surfaces to be disturbed or replaced shall be performed by a certified lead-based paint inspector or risk assessor.

- (b) Risk assessments, lead-hazard screens and reevaluations.

(1) Risk assessments and lead-hazard screens shall be performed in accordance with methods and standards established either by a state or tribal program authorized by the EPA, or by the EPA at 40 CFR 745.227(c), (d), and (h) and paragraph (b)(2) of this section. Reevaluations shall be performed by a certified risk assessor in accordance with 35.1355(b) and paragraph (b)(2) of this section.

(2) Risk assessors shall use standards for determining dust-lead hazards and soil-lead hazards that are at least as protective as those promulgated by the EPA at 40 CFR 745.227(h) or, if such standards are not in effect, the following levels for dust or soil:

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(i) Dust. A dust-lead hazard is surface dust that contains a mass-per-area concentration (loading) of lead, based on wipe samples, equal to or exceeding the applicable level in the following table:

**Dust Lead Standards:**

Evaluation method	Surface		
	Floors, µg/ft <sup>2</sup> (mg/m <sup>2</sup> )	Interior windowsills, µg/ft <sup>2</sup> (mg/m <sup>2</sup> )	Window troughs, µg/ft <sup>2</sup> (mg/m <sup>2</sup> )
Risk Assessment	40 (0.43)	250 (2.7)	Not Applicable.
Lead Hazard Screen	25 (0.27)	125 (1.4)	Not Applicable.
Reevaluation	40 (0.43)	250 (2.7)	Not Applicable.
Clearance	40 (0.43)	250 (2.7)	400 (4.3).

\*g = gram; mg = milligram (thousandth of a gram); and µg = microgram (millionth of a gram)

Note 1: "Floors" includes carpeted and uncarpeted interior floors.

Note 2: A dust-lead hazard is present or clearance fails when the weighted arithmetic mean lead loading for all single-surface or composite samples is equal to or greater than the applicable standard. For composite samples of two to four subsamples, the standard is determined by dividing the standard in the table by one half the number of subsamples. See EPA regulations at 40 CFR 745.63 and 745.227(h)(3)(i).

(ii) Soil.

(A) A soil-lead hazard for play areas frequented by children under six years of age is bare soil with lead equal to or exceeding 400 parts per million (micrograms per gram).

(B) For the rest of the yard, a soil-lead hazard is bare soil that totals more than 9 square feet (0.8 square meters) per property with lead equal to or exceeding an average of 1,200 parts per million (micrograms per gram).

(3) Lead-hazard screens shall be performed in accordance with the methods and standards established either by a state or Tribal program authorized by the EPA, or by the EPA at 40 CFR 745.227(c), and paragraphs (b)(1) and (b)(2) of this section. If the lead-hazard screen indicates the need for a follow-up risk assessment (e.g., if dust-lead measurements exceed the levels established for lead-hazard screens in paragraph (b)(2)(i) of this section), a risk assessment shall be conducted in accordance with paragraphs (b)(1) and (b)(2) of this section. Dust, soil, and paint samples collected for the lead-hazard screen may be used in the risk assessment. If the lead hazard screen does not indicate the need for a follow-up risk assessment, no further risk assessment is required.

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(c) It is strongly recommended, but not required, that lead-based paint inspectors, risk assessors, and sampling technicians provide a plain-language summary of the results suitable for posting or distribution to occupants in compliance with 24 CFR 35.125.

### **Abatement - 24 CFR 35.1325**

Abatement shall be performed in accordance with methods and standards established either by a State or Indian tribe under a program authorized by EPA, or by EPA at 40 CFR 745.227(e), and shall be completed by achieving clearance in accordance with 24 CFR 35.1340. If encapsulation or enclosure is used as a method of abatement, ongoing lead-based paint maintenance activities shall be performed as required by the applicable subpart of this part in accordance with 24 CFR 35.1355. Abatement of an intact, factory-applied prime coating on metal surfaces is not required unless the surface is a friction surface.

### **Interim controls - 24 CFR 35.1330**

Interim controls of lead-based paint hazards identified in a risk assessment shall be conducted in accordance with the provisions of this section. Interim control measures include paint stabilization of deteriorated paint, treatments for friction and impact surfaces where levels of lead dust are above the levels specified in 24 CFR 35.1320, dust control, and lead-contaminated soil control. As provided by 24 CFR 35.155, interim controls may be performed in combination with, or be replaced by, abatement methods.

#### **(a) General requirements.**

- (1) Only those interim control methods identified as acceptable methods in a current risk assessment report shall be used to control identified hazards, except that, if only paint stabilization is required in accordance with subparts F, H, K or M of this part, it shall not be necessary to have conducted a risk assessment.
- (2) Occupants of dwelling units where interim controls are being performed shall be protected during the course of the work in accordance with 24 CFR 35.1345.
- (3) Clearance testing shall be performed at the conclusion of interim control activities in accordance with 24 CFR 35.1340.
- (4) A person performing interim controls must be trained in accordance with the hazard communication standard for the construction industry issued by the Occupational Safety and Health Administration of the U.S. Department of Labor at 29 CFR 1926.59, and either be supervised by an individual certified as a lead-based paint abatement supervisor or have completed successfully one of the following lead-safe work practices courses, except that this supervision or lead-safe work practices training requirement does not apply to work that disturbs painted surfaces less than the de minimis limits of 24 CFR 35.1350(d):

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- (i) A lead-based paint abatement supervisor course accredited in accordance with 40 CFR 745.225;
- (ii) A lead-based paint abatement worker course accredited in accordance with 40 CFR 745.225; or
- (iii) A renovator course accredited in accordance with 40 CFR 745.225.
- (iv) "The Remodeler's and Renovator's Lead-Based Paint Training Program," prepared by HUD and the National Association of the Remodeling Industry; or
- (v) Another course approved by HUD for this purpose after consultation with EPA.

#### (b) Paint stabilization.

(1) Interim control treatments used to stabilize deteriorated lead-based paint shall be performed in accordance with the requirements of this section. Interim control treatments of intact, factory applied prime coatings on metal surfaces are not required. Finish coatings on such surfaces shall be treated by interim controls if those coatings contain lead-based paint.

(2) Any physical defect in the substrate of a painted surface or component that is causing deterioration of the surface or component shall be repaired before treating the surface or component. Examples of defective substrate conditions include dry-rot, rust, moisture-related defects, crumbling plaster, and missing siding or other components that are not securely fastened.

(3) Before applying new paint, all loose paint and other loose material shall be removed from the surface to be treated. Acceptable methods for preparing the surface to be treated include wet scraping, wet sanding, and power sanding performed in conjunction with a HEPA filtered local exhaust attachment operated according to the manufacturer's instructions.

(4) Dry sanding or dry scraping is permitted only in accordance with 24 CFR 35.140(e) (i.e., for electrical safety reasons or for specified minor amounts of work).

(5) Paint stabilization shall include the application of a new protective coating or paint. The surface substrate shall be dry and protected from future moisture damage before applying a new protective coating or paint. All protective coatings and paints shall be applied in accordance with the manufacturer's recommendations.

(6) Paint stabilization shall incorporate the use of safe work practices in accordance with 24 CFR 35.1350.

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### (c) Friction and impact surfaces.

#### (1) Friction surfaces are required to be treated only if:

- (i) Lead dust levels on the nearest horizontal surface underneath the friction surface (e.g., the window sill, window trough, or floor) are equal to or greater than the standards specified in 24 CFR 35.1320(b);
- (ii) There is evidence that the paint surface is subject to abrasion; and
- (iii) Lead-based paint is known or presumed to be present on the friction surface.

#### (2) Impact surfaces are required to be treated only if:

- (i) Paint on an impact surface is damaged or otherwise deteriorated;
- (ii) The damaged paint is caused by impact from a related building component (such as a door knob that knocks into a wall, or a door that knocks against its door frame); and
- (iii) Lead-based paint is known or presumed to be present on the impact surface.

#### (3) Examples of building components that may contain friction or impact surfaces include the following:

- (i) Window systems;
- (ii) Doors;
- (iii) Stair treads and risers;
- (iv) Baseboards;
- (v) Drawers and cabinets; and
- (vi) Porches, decks, interior floors, and any other painted surfaces that are abraded, rubbed, or impacted.

(4) Interim control treatments for friction surfaces shall eliminate friction points or treat the friction surface so that paint is not subject to abrasion. Examples of acceptable treatments include rehanging and/or planing doors so that the door does not rub against the door frame, and installing window channel guides that reduce or eliminate abrasion of painted surfaces. Paint on stair treads and floors shall be protected with a durable cover or coating that will prevent abrasion of the painted surfaces. Examples of acceptable materials include carpeting, tile, and sheet flooring.

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(5) Interim control treatments for impact surfaces shall protect the paint from impact. Examples of acceptable treatments include treatments that eliminate impact with the paint surface, such as a door stop to prevent a door from striking a wall or baseboard.

(6) Interim control for impact or friction surfaces does not include covering such a surface with a coating or other treatment, such as painting over the surface, that does not protect lead-based paint from impact or abrasion.

(d) Chewable surfaces.

(1) Chewable surfaces are required to be treated only if there is evidence of teeth marks, indicating that a child of less than six years of age has chewed on the painted surface, and lead-based paint is known or presumed to be present on the surface.

(2) Interim control treatments for chewable surfaces shall make the lead-based paint inaccessible for chewing by children of less than 6 years of age. Examples include enclosures or coatings that cannot be penetrated by the teeth of such children.

(e) Dust-lead hazard control.

(1) Interim control treatments used to control dust-lead hazards shall be performed in accordance with the requirements of this section. Additional information on dust removal is found in the HUD Guidelines, particularly Chapter 11 (see 24 CFR 35.1310).

(2) Dust control shall involve a thorough cleaning of all horizontal surfaces, such as interior window sills, window troughs, floors, and stairs, but excluding ceilings. All horizontal surfaces, such as floors, stairs, window sills and window troughs, that are rough, pitted, or porous shall be covered with a smooth, cleanable covering or coating, such as metal coil stock, plastic, polyurethane, or linoleum.

(3) Surfaces covered by a rug or carpeting shall be cleaned as follows:

(i) The floor surface under a rug or carpeting shall be cleaned where feasible, including upon removal of the rug or carpeting, with a HEPA vacuum or other method of equivalent efficacy.

(ii) An unattached rug or an attached carpet that is to be removed, and padding associated with such rug or carpet, located in an area of the dwelling unit with dust-lead hazards on the floor, shall be thoroughly vacuumed with a HEPA vacuum or other method of equivalent efficacy. Protective measures shall be used to prevent the spread of dust during removal of a rug, carpet or padding from the dwelling. For example, it shall be misted to reduce dust generation during removal. The item(s) being removed shall be wrapped or otherwise sealed before removal from the worksite.

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(iii) An attached carpet located in an area of the dwelling unit with dust-lead hazards on the floor shall be thoroughly vacuumed with a HEPA vacuum or other method of equivalent efficacy if it is not to be removed.

(f) Soil-lead hazards.

(1) Interim control treatments used to control soil-lead hazards shall be performed in accordance with this section.

(2) Soil with a lead concentration equal to or greater than 5,000  $\mu\text{g/g}$  of lead shall be abated in accordance with 40 CFR 745.227(e).

(3) Acceptable interim control methods for soil lead are impermanent surface coverings and land use controls.

(i) Impermanent surface coverings may be used to treat lead-contaminated soil if applied in accordance with the following requirements. Examples of acceptable impermanent coverings include gravel, bark, sod, and artificial turf.

(A) Impermanent surface coverings selected shall be designed to withstand the reasonably-expected traffic. For example, if the area to be treated is heavily traveled, neither grass nor sod shall be used.

(B) When loose impermanent surface coverings such as bark or gravel are used, they shall be applied in a thickness not less than six inches deep.

(C) The impermanent surface covering material shall not contain more than 400  $\mu\text{g/g}$  of lead.

(D) Adequate controls to prevent erosion shall be used in conjunction with impermanent surface coverings.

(ii) Land use controls may be used to reduce exposure to soil-lead hazards only if they effectively control access to areas with soil-lead hazards. Examples of land use controls include: fencing, warning signs, and landscaping.

(A) Land use controls shall be implemented only if residents have reasonable alternatives to using the area to be controlled.

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(B) If land use controls are used for a soil area that is subject to erosion, measures shall be taken to contain the soil and control dispersion of lead.

### Standard treatments – 24 CFR 35.1335

Standard treatments shall be conducted in accordance with this section.

(a) Paint stabilization. All deteriorated paint on exterior and interior surfaces located on the residential property shall be stabilized in accordance with 24 CFR 35.1330(a)(b), or abated in accordance with 24 CFR 35.1325.

(b) Smooth and cleanable horizontal surfaces. All horizontal surfaces, such as uncarpeted floors, stairs, interior window sills and window troughs, that are rough, pitted, or porous, shall be covered with a smooth, cleanable covering or coating, such as metal coil stock, plastic, polyurethane, or linoleum.

(c) Correcting dust-generating conditions. Conditions causing friction or impact of painted surfaces shall be corrected in accordance with 24 CFR 35.1330(c)(4)-(6).

(d) Bare residential soil. Bare soil shall be treated in accordance with the requirements of 24 CFR 35.1330, unless it is found not to be a soil-lead hazard in accordance with 24 CFR 35.1320(b).

(e) Safe work practices. All standard treatments described in paragraphs (a) through (d) of this section shall incorporate the use of safe work practices in accordance with 24 CFR 35.1350.

(f) Clearance. A clearance examination shall be performed in accordance with 35.1340 at the conclusion of any lead hazard reduction activities.

(g) Qualifications. An individual performing standard treatments must meet the training and/or supervision requirements of 24 CFR 35.1330(a)(4).

### Clearance – 24 CFR 35.1340

Clearance examinations required under subparts B, C, D, F through M, and R, of this part shall be performed in accordance with the provisions of this section.

(a) Clearance following abatement. Clearance examinations performed following abatement of lead-based paint or lead-based paint hazards shall be performed in accordance with 40 CFR 745.227(e) and paragraphs (c)-(f) of this section. Such clearances shall be performed by a person certified to perform risk assessments or lead-based paint inspections.

(b) Clearance following activities other than abatement. Clearance examinations performed following interim controls, paint stabilization, standard treatments, ongoing lead-based paint maintenance, or rehabilitation shall be performed in accordance with the requirements of this

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paragraph (b) and paragraphs (c) through (g) of this section. Clearance is not required if the work being cleared does not disturb painted surfaces of a total area more than that set forth in 24 CFR 35.1350(d).

(1) Qualified personnel. Clearance examinations shall be performed by:

(i) A certified risk assessor;

(ii) A certified lead-based paint inspector;

(iii) A person who has successfully completed a training course for sampling technicians (or a discipline of similar purpose and title) that is developed or accepted by EPA or a State or tribal program authorized by EPA pursuant to 40 CFR part 745, subpart Q, and that is given by a training provider accredited by EPA or a State or Indian Tribe for training in lead-based paint inspection or risk assessment, provided a certified risk assessor or a certified lead-based paint inspector approves the work of the sampling technician and signs the report of the clearance examination; or

(iv) A technician licensed or certified by EPA or a State or Indian Tribe to perform clearance examinations without the approval of a certified risk assessor or certified lead-based paint inspector, provided that a clearance examination by such a licensed or certified technician shall be performed only for a single-family property or individual dwelling units and associated common areas in a multi-unit property, and provided further that a clearance examination by such a licensed or certified sampling technician shall not be performed using random sampling of dwelling units or common areas in multifamily properties, except that a clearance examination performed by such a licensed or certified sampling technician is acceptable for any residential property if the clearance examination is approved and the report signed by a certified risk assessor or a certified lead-based paint inspector.

(2) Required activities.

(i) Clearance examinations shall include a visual assessment, dust sampling, submission of samples for analysis for lead in dust, interpretation of sampling results, and preparation of a report. Soil sampling is not required. Clearance examinations shall be performed in dwelling units, common areas, and exterior areas in accordance with this section and the steps set forth at 40 CFR 745.227(e)(8). If clearance is being performed after lead-based paint hazard reduction, paint

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stabilization, maintenance, or rehabilitation that affected exterior surfaces but did not disturb interior painted surfaces or involve elimination of an interior dust-lead hazard, interior clearance is not required if window, door, ventilation, and other openings are sealed during the exterior work. If clearance is being performed for more than 10 dwelling units of similar construction and maintenance, as in a multifamily property, random sampling for the purpose of clearance may be conducted in accordance with 40 CFR 745.227(e)(9).

(ii) The visual assessment shall be performed to determine if deteriorated paint surfaces and/or visible amounts of dust, debris, paint chips or other residue are still present. Both exterior and interior painted surfaces shall be examined for the presence of deteriorated paint. If deteriorated paint or visible dust, debris or residue are present in areas subject to dust sampling, they must be eliminated prior to the continuation of the clearance examination, except elimination of deteriorated paint is not required if it has been determined, through paint testing or a lead-based paint inspection, that the deteriorated paint is not lead-based paint. If exterior painted surfaces have been disturbed by the hazard reduction, maintenance or rehabilitation activity, the visual assessment shall include an assessment of the ground and any outdoor living areas close to the affected exterior painted surfaces. Visible dust or debris in living areas shall be cleaned up and visible paint chips on the ground shall be removed.

(iii) Dust samples shall be wipe samples and shall be taken on floors and, where practicable, interior window sills and window troughs. Dust samples shall be collected and analyzed in accordance with 24 CFR 35.1315 of this part.

(iv) Clearance reports shall be prepared in accordance with paragraph (c) of this section.

(c) Clearance report. When clearance is required, the designated party shall ensure that a clearance report is prepared that provides documentation of the hazard reduction or maintenance activity as well as the clearance examination. When abatement is performed, the report shall be an abatement report in accordance with 40 CFR 745.227(e)(10). When another hazard reduction or maintenance activity requiring a clearance report is performed, the report shall include the following information:

(1) The address of the residential property and, if only part of a multifamily property is affected, the specific dwelling units and common areas affected.

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(2) The following information on the clearance examination:

- (i) The date(s) of the clearance examination;
- (ii) The name, address, and signature of each person performing the clearance examination, including certification number;
- (iii) The results of the visual assessment for the presence of deteriorated paint and visible dust, debris, residue or paint chips;
- (iv) The results of the analysis of dust samples, in  $\mu\text{g}/\text{sq. ft.}$ , by location of sample; and
- (v) The name and address of each laboratory that conducted the analysis of the dust samples, including the identification number for each such laboratory recognized by EPA under section 405(b) of the Toxic Substances Control Act (15 U.S.C. 2685(b)).

(3) The following information on the hazard reduction or maintenance activity for which clearance was performed:

- (i) The start and completion dates of the hazard reduction or maintenance activity;
- (ii) The name and address of each firm or organization conducting the hazard reduction or maintenance activity and the name of each supervisor assigned;
- (iii) A detailed written description of the hazard reduction or maintenance activity, including the methods used, locations of exterior surfaces, interior rooms, common areas, and/or components where the hazard reduction activity occurred, and any suggested monitoring of encapsulants or enclosures; and
- (iv) If soil hazards were reduced, a detailed description of the location(s) of the hazard reduction activity and the method(s) used.

(d) Standards. The clearance standards in 24 CFR 35.1320(b)(2) shall apply. If test results equal or exceed the standards, the dwelling unit, worksite, or common area represented by the sample fails the clearance examination.

(e) Clearance failure. All surfaces represented by a failed clearance sample shall be recleaned or treated by hazard reduction, and retested, until the applicable clearance level in 24 CFR 35.1320(b)(2) is met.

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(f) Independence. Clearance examinations shall be performed by persons or entities independent of those performing hazard reduction or maintenance activities, unless the designated party uses qualified in-house employees to conduct clearance. An in-house employee shall not conduct both a hazard reduction or maintenance activity and its clearance examination.

(g) Worksite clearance. Clearance of only the worksite is permitted after work covered by 24 CFR 35.930, 35.1330, 35.1335, or 35.1355, when containment is used to ensure that dust and debris generated by the work is kept within the worksite. Otherwise, clearance must be of the entire dwelling unit, common area, or outbuilding, as applicable. When clearance is of an interior worksite that is not an entire dwelling unit, common area, or outbuilding, dust samples shall be taken for paragraph (b) of this section, as follows:

(1) Sample, from each of at least four rooms, hallways, stairwells, or common areas within the dust containment area:

(i) The floor (one sample); and

(ii) Windows (one interior sill sample and one trough sample, if present); and

(2) Sample the floor in a room, hallway, stairwell, or common area connected to the dust containment area, within five feet outside the area (one sample).

### **Occupant protection and worksite preparation - 24 CFR 35.1345.**

This section establishes procedures for protecting dwelling unit occupants and the environment from contamination from lead-contaminated or lead-containing materials during hazard reduction activities.

(a) Occupant protection.

(1) Occupants shall not be permitted to enter the worksite during hazard reduction activities (unless they are employed in the conduct of these activities at the worksite), until after hazard reduction work has been completed and clearance, if required, has been achieved.

(2) Occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe, and similarly accessible dwelling unit that does not have lead-based paint hazards, except if:

(i) Treatment will not disturb lead-based paint, dust-lead hazards or soil-lead hazards;

(ii) Only the exterior of the dwelling unit is treated, and windows, doors, ventilation intakes and other openings in or near the worksite are

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sealed during hazard control work and cleaned afterward, and entry free of dust-lead hazards, soil-lead hazards, and debris is provided;

(iii) Treatment of the interior will be completed within one period of 8-daytime hours, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, and treatment does not create other safety, health or environmental hazards (e.g., exposed live electrical wiring, release of toxic fumes, or on-site disposal of hazardous waste); or

(iv) Treatment of the interior will be completed within 5 calendar days, the worksite is contained so as to prevent the release of leaded dust and debris into other areas, treatment does not create other safety, health or environmental hazards; and, at the end of work on each day, the worksite and the area within at least 10 feet (3 meters) of the containment area is cleaned to remove any visible dust or debris, and occupants have safe access to sleeping areas, and bathroom and kitchen facilities.

(3) The dwelling unit and the worksite shall be secured against unauthorized entry, and occupants' belongings protected from contamination by dust-lead hazards and debris during hazard reduction activities. Occupants' belongings in the containment area shall be relocated to a safe and secure area outside the containment area, or covered with an impermeable covering with all seams and edges taped or otherwise sealed.

### (b) Worksite preparation.

(1) The worksite shall be prepared to prevent the release of leaded dust, and contain lead-based paint chips and other debris from hazard reduction activities within the worksite until they can be safely removed. Practices that minimize the spread of leaded dust, paint chips, soil and debris shall be used during worksite preparation.

(2) A warning sign shall be posted at each entry to a room where hazard reduction activities are conducted when occupants are present; or at each main and secondary entryway to a building from which occupants have been relocated; or, for an exterior hazard reduction activity, where it is easily read 20 feet (6 meters) from the edge of the hazard reduction activity worksite. Each warning sign shall be as described in 29 CFR 1926.62(m), except that it shall be posted irrespective of employees' lead exposure and, to the extent practicable, provided in the occupants' primary language.

### Safe Work Practices - 24 CFR 35.1350

(a) Prohibited methods. Methods of paint removal listed in 24 CFR 35.140 shall not be used.

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(b) Occupant protection and worksite preparation. Occupants and their belongings shall be protected, and the worksite prepared, in accordance with 24 CFR 35.1345. A person performing this work shall be trained on hazards and either be supervised or have completed successfully one of the specified courses, in accordance with 24 CFR 35.1330(a)(4).

(c) Specialized cleaning. After hazard reduction activities have been completed, the worksite shall be cleaned using cleaning methods, products, and devices that are successful in cleaning up dust-lead hazards, such as a HEPA vacuum or other method of equivalent efficacy, and lead-specific detergents or equivalent.

(d) De minimis levels. Safe work practices are not required when maintenance or hazard reduction activities do not disturb painted surfaces that total more than:

- (1) 20 square feet (2 square meters) on exterior surfaces;
- (2) 2 square feet (0.2 square meters) in any one interior room or space; or
- (3) 10 percent of the total surface area on an interior or exterior type of component with a small surface area. Examples include window sills, baseboards, and trim.

### **Ongoing Lead-Based Paint Maintenance and Reevaluation Activities - 24 CFR 35.1355**

*This section establishes procedures for ongoing Lead-Based Paint Maintenance and Reevaluation Activities, as provided in 24 CFR 35.1355. The Minor Home Rehabilitation Program does not require ongoing lead-based paint maintenance and reevaluation activities. Please see 24 CFR 35.1355 for more information, as needed.*

### **Lead-Based Hazards Acknowledgements and Homeowner Certification**

See the following attachments:

- Attachment A
- Attachment B
- Attachment C

ATTACHMENT A

**LEAD-SAFE HOUSING RULE CHECKLIST**  
**For**  
**GENERAL COMPLIANCE DOCUMENTATION**

(Program participants can use this checklist as a guide for determining whether or not they are proceeding in a manner required by the LSHR, and that they are maintaining documentation for each CPD-assisted project. Field Office staff can use the checklist as a means for familiarizing themselves with the kinds of documentation that should be maintained in order to demonstrate LSHR compliance. Compliance with the program-specific requirements may not be substantiated solely by the documents included on this general checklist. Additional guidance is provided as referenced in the checklist.)

As appropriate, the following documents should be maintained in CPD-assisted project files for properties constructed before January 1, 1978, in order to demonstrate general knowledge and compliance with basic LSHR requirements. Standard forms are available in the Federal Register (FR) as indicated by the sources below. Citations from 24 CFR part 35 are also provided as additional references.

\_\_\_\_\_ **Applicability Form** [§ 35.115] A copy of a statement indicating that the property is *covered by or exempt from Lead Safe Housing Rule.*<sup>1</sup>

[Note: (A) If the property is exempt, the file should include the reason for the exemption and no further documentation is required; (B) If the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below.]

\_\_\_\_\_ **Summary Paint Testing Report of Presumption Notice** [§35.930(a)] – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces.<sup>2</sup>

\_\_\_\_\_ **Risk Assessment Report** [§35.930(c)(2)]- A copy of a report (in addition to the requirements of §35.930(a)) to indicate any presence of lead-based paint hazards for projects receiving more than \$5,000 per unit in rehabilitation assistance.<sup>4</sup>

(Note: If the property receives more than \$25,000 in assistance, more stringent requirements apply, including compliance with applicable state requirements, as appropriate. [See §35.930(d)].

\_\_\_\_\_ **Notice of Evaluation** [§35.125(a)] – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing.<sup>3,4</sup>

\_\_\_\_\_ **Clearance Report** [§35.930(b)(3)]- A report indicating a “clearance examination” was performed of the work-site upon completion.

\_\_\_\_\_ **Notice of Hazard Reduction Completion** [§35.125(b)] – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.<sup>5</sup>

Source: Federal Register (FR), 64 FR 50139-50231, published September 15, 1999 – Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance. The appendices are on pages 50230-50231.

<sup>1</sup> LSHR Regulation Applicability Form (See Attachment B to this memorandum.)

<sup>2</sup> Appendix C—Sample Summary Presumption Notice Format

<sup>3</sup> Appendix A—Sample Summary Inspection Notice Format

<sup>4</sup> Appendix B—Sample Summary Risk Assessment Notice Format

<sup>5</sup> Appendix D—Sample Hazard Reduction Completion Notice Format

ATTACHMENT B

**LEAD-SAFE HOUSING RULE—APPLICABILITY FORM**

Address/location of subject property:

\_\_\_\_\_

**Regulation Eligibility Statement (check [√] all that apply):**

Property is receiving Federal funds.

Unit was built prior to 1978.

Note: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date the form.

**Regulation Exemption Statements [24 CFR 35.115] (Check [√] all that apply):**

Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.

The property will not be used for human residential habitation. This *does not* apply to common areas such as hallways and stairways of residential and mixed-use properties.

Housing "exclusively" for the elderly or persons with disabilities, with the provision that children less than six (6) years of age *will not* reside in the dwelling unit.

An inspection performed according to HUD standards found the property contained no lead-based paint.

According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.

The rehabilitation will not disturb any painted surface.

The property has no bedrooms.

The property is currently vacant and will remain vacant until demolition.

If any of the above Exemption Statements have been checked, the Regulation does not apply. In all cases, sign and date the form.

I, \_\_\_\_\_, certify that the information listed above is true and  
(Printed Name) accurate to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization

(Revised: 10/28/04)

ATTACHMENT C

CITY OF INGLEWOOD  
MINOR HOME REPAIR GRANT PROGRAM

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**LEAD-BASED PAINT CERTIFICATION**

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Homeowner's Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

**FOR HOMES BUILT DURING OR AFTER 1978:**

*Requirement not applicable – Attach documentation of age of home.*

**FOR HOMES BUILT PRIOR TO 1978:**

Has your home ever been tested for lead-based paint?     Yes     No

If yes, when and what were the results? \_\_\_\_\_

\_\_\_\_\_

Do any children younger than six years of age reside in your home?     Yes     No

If yes, what is/are the age(s) of the child/ren residing in your home, who is/are six years of age or younger? \_\_\_\_\_

Do any of these children have an Elevated Blood Level (EBL)?     Yes     No

If yes, what was each child's EBL? \_\_\_\_\_

**CERTIFICATION:**

I/We received a copy of the pamphlet entitled "PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME."

\_\_\_\_\_  
Homeowner signature

\_\_\_\_\_  
Print full name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Homeowner signature

\_\_\_\_\_  
Print full name

\_\_\_\_\_  
Date



# APPENDIX C

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APPENDIX C

**CITY OF INGLEWOOD  
MINOR HOME REPAIR GRANT PROGRAM**

**APPLICANT MASTER FILE CHECKLIST**

Homeowner Name: \_\_\_\_\_  
 Property Address: \_\_\_\_\_  
 Applicant Contact Phone #: \_\_\_\_\_  
 Assigned Applicant #: \_\_\_\_\_

Household Size: \_\_\_\_\_ # of Adults (18 years and Older) \_\_\_\_\_ # of Minors

Property Description: \_\_\_\_\_ # of bedrooms \_\_\_\_\_ # of bathrooms

- Attached garage     Detached garage     Converted garage     Enclosed patio  
 Stucco exterior     Wood siding     Raised foundation     Slab foundation

	<b>Applicant Master File</b>	<b>Comments</b>
	<b>Application</b>	
	Preliminary Application	
	Application – Full Version	
	Application Cover Letter	
	<b>Household and Income Verifications:</b>	
	Identification (all household members)	
	Income Documentation	
	Bank Statements	
	Tax Returns	
	Authorization for Release of Information	
	Income Calculation Worksheet	
	<b>Property Verifications:</b>	
	Property - located in the city of Inglewood, CA .	
	Mortgage – No reverse mortgages	
	Home Insurance	
	Property Taxes	
	Primary Residence	
	Current Utility Bill – water, electricity, gas bills	
	Outstanding permits	
	Unpermitted Structures	
	<b>Certifications</b>	
	EPA "Protect Your Family from Lead in Your Home"	
	Lead-Based Paint and Hazard Certifications	
	Acknowledgement Forms	



# APPENDIX D

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ATTACHED IN PART  
FULL GUIDELINES ARE FOUND AT

# **Technical Guide for Determining Income and Allowances for the HOME Program**

*Third Edition*

January 2005

U.S. Department of Housing and Urban Development  
Community Planning and Development  
Office of Affordable Housing Programs  
HOME Model Series

Prepared for the Office of Affordable Housing Programs by ICF Consulting, Inc.

## Preface

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*The HOME Investment Partnerships (HOME) Program is a flexible and versatile funding resource for affordable housing. A fundamental component of using HOME funds effectively is ensuring that they are targeted to households that are low- and very low-income.*

*The HOME Program requires that participating jurisdictions (PJs) use one of three definitions of annual income in order to determine the income eligibility of applicants to their programs. PJs can choose from these options:*

- *Annual income as used in HUD programs like Section 8 and defined in 24 CFR 5.609,*
- *Annual income as reported on the Census long form for the most recent decennial census, and*
- *Adjusted gross income as defined by the Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax reporting purposes.*

*This guide will be useful for most PJs, since all PJs must verify the income eligibility of every HOME program participant. Using this guide provides an opportunity for a PJ to review and understand the differences in each of the three income definitions and to determine which definition(s) is most appropriate for each of the HOME activities the PJ undertakes. In addition, some PJs may be familiar with the process of determining income eligibility for one or two of the three allowable income definitions. As a result of staff turnover, or other circumstances, other PJs may need to develop expertise in understanding all of the possible definitions. Regardless of the PJ's experience level, PJs will find that there are certain rules unique to each of the three definitions, but in general the rules are understandable and relatively easy to work with.*

*This self-study guide provides explanations of each of the three definitions of income, and describes what sources of income must be included or excluded when conducting income verification. In addition to a description of these basic requirements, the guide provides exercises and case studies to enable readers to test their understanding of the key concepts. This HOME model program guide is a companion to other guides published by the Office of Affordable Housing Programs of the U.S. Department of Housing and Urban Development. These guides are available through the HOME Program's Model Program Guides website at: <http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/index.cfm>.*

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**Chapter Three – Calculating Annual (Gross) Income**

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**Chapter Five – Calculating Assistance Amounts**

### **Appendices**

Appendix A: Glossary of Terms

Appendix B: Sample Format for Computing Part 5 Annual Income

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Appendix D: Sample Format for Computing IRS Form 1040 Adjusted Gross Income

Appendix E: Sample Format for Computing Part 5 Adjusted Income

Appendix F: Sample Format for Computing Total Tenant Payment and PJ Subsidy –  
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Appendix H: Sample Verification Forms for Determining Annual (Gross) Income

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## Chapter One

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### Overview

The HOME Investment Partnerships (HOME) Program has historically required that participating jurisdictions (PJs) use the Section 8 program definition of annual (also referred to as gross) income to measure the eligibility of applicants to their HOME programs. However, with the publication of the HOME Final Rule, effective October 16, 1996, PJs were given the flexibility to choose one of three definitions of annual income -- annual income as defined in 24 CFR 5.609,<sup>1</sup> annual income as reported on the Census long form for the most recent decennial census, and adjusted gross income<sup>2</sup> as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

This change in the HOME regulations is consistent with a similar change to the Community Development Block Grant (CDBG) regulations, which went into effect December 11, 1995. The change in the HOME regulations was intended to ease administration for PJs when projects are funded by multiple sources, including CDBG.

In several specific circumstances, PJs are required to adjust the income of households participating in the HOME Program. Chapter Four details these circumstances and the process of adjusting household income using the rules at 24 CFR 5.611. When PJs are required to use adjusted income, they must use the HUD rules at 24 CFR 5.611 *regardless of the definition of annual income originally used* to qualify the household for participation in the HOME Program. Throughout this guide, the term "annual income" will be used to refer to annual income as calculated using one of the three definitions allowed under the HOME Program, unless otherwise specified. The term "Part 5 annual income" will be used to refer to annual income as defined at

24 CFR 5.609. This was formerly called the "Section 8" definition of income. Further, "adjusted income" will be used to refer to adjusted income calculated according to the rules at 24 CFR 5.611.

### Income-Related Program Requirements

Exhibit 1.1 summarizes the uses of the income definitions under the HOME Program.

Household income must be calculated for a number of different uses under the HOME Program, including:

- **Eligibility.** To receive HOME assistance, households must have incomes at or below 80 percent of the area median household income, adjusted for household size, and determined annually by HUD. This is commonly referred to as "the Section 8 Low-Income Limit." To determine whether a household is eligible, a PJ must determine its annual income using one of the three allowable income definitions and comparing that income to the Section 8 Low-Income Limit. For HOME rental projects and tenant based rental assistance (TBRA) programs, income eligibility must be re-established annually (refer to Chapter 2).
- **Targeting of Funds.** Income determinations are also necessary to comply with HOME targeting requirements. For each annual HOME allocation a PJ receives, ninety percent of the occupants of HOME-funded rental housing units and households assisted with TBRA must have annual incomes at or below 60 percent of the area median income.
- **Occupancy of Rental Projects.** In addition to the program targeting requirements, at least 20 percent of the

## Chapter One – Overview

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HOME-assisted units in rental projects with five or more HOME-assisted units must be occupied by households with incomes at or below 50 percent of the area median income.

- **Subsidy Amounts.** For HOME-funded TBRA programs, annual income is used to determine eligibility and adjusted income is used to determine the amount of subsidy an eligible household can receive.
- **Displacement Activities.** Income calculations are also used to determine assistance to families who may be displaced as a result of HOME-funded activities. Exhibit 1.1 provides additional detail on these calculations.

### Using this Guide

This guide has been organized to help the reader absorb income rules one at a time. Within each chapter, examples and exercises provide the opportunity to think about the practical applications of the rules.

- **Chapter Two.** This chapter reviews the general requirements that relate to determining and calculating income. These rules apply regardless of the definition of annual income used by the PJ.
- **Chapter Three.** Chapter Three provides detailed information on how to calculate income using each of the three allowable income definitions. This chapter also discusses and illustrates the differences between the three definitions.
- **Chapter Four.** This chapter discusses the circumstances under which PJs must adjust annual household income and describes how to do so.
- **Chapter Five.** Chapter Five provides detailed guidance on calculating assistance amounts in HOME TBRA programs and when conducting displacement activities.

A number of appendices follow Chapter Five, including a glossary of terms and sample forms.

### Additional Resources

In addition to this guide, there are several other HUD resources PJs can use as reference material:

- **HOME Program Regulations.** The HOME Program regulations can be found at 24 CFR Part 92.
- **General HUD Program Requirements found at 24 CFR Part 5.** The requirements pertaining to annual and adjusted income for HUD programs are found in this regulation. These regulations are updated periodically, with notification provided through the Federal Register.<sup>3</sup> Agencies are given 60 days from the date of publication to implement changes.
- **HUD Handbook 4350.3.** This handbook, entitled "Occupancy Requirements of Subsidized Multifamily Housing Programs," applies to many of HUD's multifamily housing programs, including Section 8 and Section 236. The HOME Program does not require the use of this handbook, but many PJs will find the information in it, particularly Chapter 5, helpful in understanding and clarifying the Part 5 income rules and requirements. The handbook is updated whenever changes are made to the regulations.

The HOME Program statute, regulations, notices, and waivers can be obtained through the HOME Program page of the HUD web site. This site is located at [www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm). Federal regulations, HUD handbooks, and notices can be obtained through HUD offices or on the Internet at [www.hud.gov](http://www.hud.gov) and [www.hudclips.org](http://www.hudclips.org).

**Chapter One – Overview**

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Further guidance on the calculation of annual income under the HOME Program is available online at [www.hud.gov/offices/cpd/affordablehousing/training/calculator/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/training/calculator/index.cfm).

Census publications, including sample forms and instructions, are available on the Census Bureau’s website ([www.census.gov](http://www.census.gov)) or by calling its customer service center at (301) 763-4636. IRS forms, instructions and other publications are also available online at [www.irs.ustreas.gov](http://www.irs.ustreas.gov), or by calling the IRS at 1-800-829-3676.

**Exhibit 1.1 – Summary of Uses of Income Definitions in the HOME Program**

<b>HOME Program Activities</b>	<b>Uses of Income Definitions</b>
Homeowner Rehabilitation	Use one of three definitions of annual (gross) income <sup>4</sup> .
Homebuyer Activities	Use one of three definitions of annual (gross) income.
Rental Activities	Use one of three definitions of annual (gross) income for initial determination and at recertification. Use adjusted income <sup>5</sup> to determine rent for tenants whose income increases above 80% of median. Can use annual (gross) income and adjusted income to determine project rents for tenants below 50% of median and occupying at least 20% of the units in a project with five or more HOME-assisted units, although most PJs use standard High and Low HOME rents.
TBRA	Use one of three definitions of annual (gross) income to determine income initially and at annual recertification. Use one of three definitions of annual (gross) and Part 5 adjusted income to determine the tenant’s share of the rent.
<b>Relocation and Displacement Activities</b>	
Uniform Relocation Act	Use Part 5 annual (gross) <sup>6</sup> and adjusted income to determine if a low-income household is economically displaced. Use Part 5 annual (gross) income to compute Replacement Housing Payments.
Section 104(d) – Displacement, Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Programs	Use Part 5 annual (gross) income to determine Replacement Housing Payments.

## Chapter Two

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### General Requirements

While PJs have the option of choosing one of three definitions of annual (gross) income to determine income eligibility of applicants to their HOME Program activities, certain rules and requirements apply regardless of the definition used. These overarching requirements include how to determine whose income to count, anticipate and verify income, and compare income to HUD income limits. This chapter reviews these requirements.

#### Determining Whose Income to Count

The HOME Program regulations require that income of all family members be included in the determination of income.

The Part 5 definition of annual income provides specific guidance pertaining to whose income in a household must be included in that calculation. Chapter Three reviews this in detail.

#### Anticipating Income

The HOME regulations at 24 CFR 92.203(d)(1) require that, for the purpose of determining eligibility for HOME assistance, a PJ must project a household's income in the future. To do so, a "snapshot" of the household's current circumstances is used to project future income. In general, a PJ should assume that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. For example, if a head of household is currently working for \$7.00 per hour, 40 hours per week, the PJ should assume that this family member will continue to do so for the next year. Thus, estimated earnings will be \$7.00 per hour multiplied by 2,080 hours, or \$14,560 per year.

This method should be used even when it is not clear that the type of income received currently will continue in the coming year. For example, assume a family member has been receiving unemployment benefits of

\$100 per month for 16 weeks at the time of income certification. It is unlikely that the family member will continue on unemployment for another 52 weeks. However, because it is not known whether or when the family member will find employment, the PJ should use the current circumstances to anticipate annual (gross) income. Income would therefore be calculated as follows: \$100 per week x 52 weeks, or \$5,200.

The exception to this rule is when documentation is provided that current circumstances are about to change. For example, an employer might report that an employee currently makes \$7.50 an hour, but a negotiated union contract will increase this amount to \$8.25 an hour eight weeks from the date of assistance. In such cases, income can be calculated based on the information provided. In this example, the calculation would be as follows:

- $\$7.50/\text{hour} \times 40 \text{ hours/week} \times 8 \text{ weeks} = \$2,400$
- $\$8.25/\text{hour} \times 40 \text{ hours/week} \times 44 \text{ weeks} = \$14,520$
- $\$2,400 + \$14,520 = \$16,920$ .

#### Verifying Income

The HOME regulations at 24 CFR 92.203(a) require that PJs determine income eligibility of HOME applicants by examining source documents (such as wage statements or interest statements) as evidence of annual income.

PJs may develop their own verification procedures provided that they collect source documentation and that this documentation is sufficient for HUD to monitor program compliance. (Sample verification forms are provided in Appendix H.)

PJs may use two of the three verification procedures provided to public housing agencies (PHAs) for the Section 8 Program

**Chapter Two – General Requirements**

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as a basis for developing their procedures. These forms of verification are third party verification and review of documents. (The third method provided to PHAs, applicant certification, does not provide adequate source documentation for the HOME Program.)

***Third-Party Verification***

Under this form of verification, a third party (e.g., employer, Social Security Administration, or public assistance agency) is contacted to provide information to verify income. Although written requests and responses are generally preferred, conversations with a third party are acceptable if documented through a memorandum to the file that notes the contact person, information conveyed, and date of call. In addition, a PJ may obtain third party written verification by facsimile, email, or Internet. The PJ must make adequate effort to ensure the sender is a valid third-party source.

To conduct third-party verifications, a PJ must obtain a written release from the household that authorizes the third party to release required information. (See Appendix H for a sample release form, "HOME Program Eligibility Release Form.")

Third-party verifications are helpful because they provide independent verification of information and permit the PJ to determine if any changes to current circumstances are anticipated. Some third-party providers may, however, be unwilling or unable to provide the needed information in a timely manner.

Some third-party providers (such as banks) may charge a fee to provide the information. In such cases, the PJ should attempt to find suitable documentation without the third-party verification – for example, bank statements or a savings passbook. If suitable documentation is not available, costs associated with third party verifications are eligible administrative or project expenses under the HOME Program; however, low-income

beneficiaries must not be required to pay for verifications as a condition of receiving assistance.

***Review of Documents***

Documents provided by the applicant (e.g., pay stubs, tax returns, etc.) may be most appropriate for certain types of income and can be used as an alternative to third party verifications. (Note, however, that if a copy of a tax return is needed, IRS Form 4506 "Request for Copy of Tax Form" must be completed and signed.) Copies of documents should be retained in project files.

Although easier to obtain than third-party verifications, a review of documents provided by the applicant often does not provide all necessary information. For instance, an employed applicant's pay stubs may not provide sufficient information about the average number of hours worked, overtime, tips, and bonuses. In this case, the PJ may also need to contact the employer to accurately project annual income.

***Assessing Information***

PJs must assess all the facts underlying the income information collected. Below are some of the considerations PJs must take into account.

**Pay period.** The PJ should determine the basis on which employees are paid (hourly, weekly or monthly, and with or without overtime). An employee who gets paid "twice a month" may actually be paid either twice a month (24 times a year) or every two weeks (26 times a year).

An annual salary is counted as annual income regardless of the payment schedule. For example, if a teacher's annual salary is \$30,000, this is the annual income regardless of whether the teacher is paid over a nine- or 12-month period.

**Variations in pay.** For applicants whose jobs provide steady employment (e.g., 40 hours a week, 50 weeks a year), it can be assumed that there will only be slight

## Chapter Two – General Requirements

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variations in the amount of earnings reflected in monthly or bi-weekly pay stubs. In such cases, three consecutive month's worth of income documentation is an appropriate amount upon which to base a projection of income over the following 12-month period.

For those whose annual employment is less stable or does not conform to a twelve-month schedule (e.g., seasonal laborers, construction workers, teachers), PJs should examine income documentation that covers the entire previous twelve-month period. Such workers can experience substantial variations in earned income over the course of a year. As such, an examination of three month's worth of income documentation may not provide an accurate basis upon which to project the applicant's income over the following 12 months.

**Sources of earned income.** In addition to hourly earnings, PJs must account for all earned income. In addition to the base salary, this will include annual cost of living adjustments (COLAs), bonuses, raises, and overtime pay. In the case of overtime, it is important to clarify whether overtime is sporadic or a predictable component of an employee's income. If it is determined that an applicant has earned and will continue to earn overtime pay on a regular basis, PJs should calculate the average amount of overtime pay earned by the applicant over the pay period the PJ is using to calculate income eligibility (3 months or 12 months). This average amount is then to be added to the total amount of projected earned income over the following 12-month period. Exhibit 2.1 provides a step-by-step explanation of the standard methodology for projecting annual income.

### Comparing Annual Income to Published Income Limits

Once household and income information has been established and verified, a PJ must compare the information to the appropriate HUD income limits to determine if the household is eligible for participation in the HOME Program.

To determine eligibility, PJs must use a copy of the most recent HUD income limits, adjusted for family size and by geographic area (county or metropolitan area). The income limits are updated annually and are available through HUD offices or on the Internet at

[www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm).

Exhibit 2.2 provides a sample income limits table.

### *Determining Household Size*

The income limits are adjusted by household<sup>7</sup> size; therefore, one of the first steps in determining eligibility is to determine the size of the applicant household.

Some households may include persons who are not considered as family members for the purposes of determining household size and income eligibility, including:

- Foster children;
- Foster adults;
- Live-in aides; and
- Children of live-in aides.

These persons should not be counted as household members when determining household size, and their income, if any, is not included when calculating annual income.

A child who is subject to a shared-custody agreement in which the child resides with the household at least 50 percent of the time can be counted in the household.

### *Comparing Household Income to the HUD Limits*

To compare a household's annual income information to the HUD income limits, follow these steps:

1. Find the geographic area in which the PJ is located on the HUD income limit chart.
2. Find the column that corresponds to the number of persons in the household (i.e., family size).

## Chapter Two – General Requirements

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3. Compare the verified income of the household with the income limit for that household size.

Using the sample income limits chart in Exhibit 2.2, consider the following example:

*Mr. and Mrs. Jackson have three children that permanently reside with them. It has been determined by the PJ staff that the Jackson's have an annual household income of \$48,500. Based on the income limits, the Jackson family must have an income of less than \$59,250 in order to participate in the HOME Program. Since the Jackson's income of \$48,500 is less than the Low-Income Limit of \$59,250, they are eligible for HOME assistance.*

### Timing of Income Certifications

All households that receive HOME assistance must be income-eligible at the time assistance is provided. Generally, the HOME Program permits income verification dated no earlier than six months prior to receipt of assistance. Households must qualify as low-income at the time of occupancy or at the time HOME funds are invested, whichever is later.

A preliminary determination of eligibility should, however, be made much earlier in the process. Application processing is labor intensive. Early screening for income eligibility can eliminate excessive work in processing an ineligible applicant. For example, when considering an application from a developer to rehabilitate an existing rental project, it is important for a PJ to know whether the current tenants will continue to be eligible once HOME funds are invested in the project.

Establishing a deadline for formal eligibility determinations is a challenging part of the planning process. The formal determination of income eligibility must be made shortly before a household receives assistance. Because eligibility determination involves verification of income, waiting too long can delay a project. Conducting income certifications too early in the process,

however, might mean that certifications become outdated and must be redone.

### Income Certifications for Lease-Purchase or Contract-to-Purchase Housing

PJs have some flexibility when certifying the income of homebuyers in lease-purchase or contract-to-purchase programs. Homebuyers are required to qualify as low-income:

- In the case of a contract to purchase existing housing, at the time of purchase;
- In the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or
- In the case of a contract to purchase housing to be constructed, at the time the contract is signed.

### Income Recertification for Rental Housing

In addition to initial certifications at the time of eligibility determinations, tenants receiving TBRA or occupying HOME-assisted rental units must have their incomes recertified annually. Because new income certifications should be effective on each tenant's "anniversary date" (one year from the start of assistance or last recertification date), the income certification process should begin 60 to 90 days prior to that time.

For rental housing projects, the PJ must use one of the following three methods for recertifying tenant incomes:

- **Review of source documents.** This involves a review of source documentation, such as that done for a household's initial eligibility determination.
- **Statement and certification from the family.** This is a written statement from the family indicating family size and annual income. This must include a certification from the family that

## Chapter Two – General Requirements

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information is complete and accurate, and must indicate that source documents will be provided upon request. A sample certification is provided in Appendix J.

- **Statement from another government program.** This is a written statement from the administrator of another government program under which the family receives benefits, and that examines the annual (gross) income of the family each year. The statement must indicate the family size, or provide the current income limit for the program and a statement that the family's income does not exceed that limit. A sample of this type of certification is found in Appendix J.

If the PJ chooses to allow rental project owners to accept the written statement from the family or other governmental entity at income recertification, it must require owners to review full source documentation every sixth year of the affordability period. For a rental project with a 20-year affordability period, for example, source documentation must be used to certify all tenants' income at initial lease-up, and in years six, 12 and 18 of the affordability period. In the other years, the family or government program statement may be accepted without further verification of income.

**Chapter Two – General Requirements**

**Exhibit 2.1 – Step-by-Step Methodology for Projecting Annual Income**

<b>Steps</b>	<b>Instructions</b>
<b>Step 1:</b> Collect appropriate income documentation.	Appropriate documentation includes pay stubs, third-party verification, bank statements (checking and/or savings), or certified copies of tax returns. (These can be acquired by submitting an IRS Form 4506, "Request for Copy of Tax Form.")
<b>Step 2:</b> Calculate the applicant household's projected income based upon documentation.	This calculation must include hourly wage figures, overtime figures, bonuses, anticipated raises, COLAs, or other anticipated changes in income. Other specific inclusions must also be reflected in the calculation, depending upon which definition of annual income the PJ has elected to use for its program. Specific instructions for each of the three definitions of income under HOME are provided later in this guide.
<b>Step 3:</b> Compare the amount of projected income against current HOME income limits.	Once the PJ has calculated the household's income, based on its selected definition, it must compare the household's final projected figure to annual HOME income limits, which are adjusted according to household size. These limits are posted online at: <a href="http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index/cfm">www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index/cfm</a> . This information is also available through the CPD office of your state or local HUD Field Office. Households whose projected annual income is less than the current HOME income limits are eligible for HOME assistance.

**Exhibit 2.2 – Sample Income Limits Schedule (FY 2004)  
Area: Baltimore, MD**

	<b>Adjusted Income Limits</b>							
	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6 Person</b>	<b>7 Person</b>	<b>8 Person</b>
<b>30% Limits</b>	\$14,400	\$16,450	\$18,500	\$20,600	\$22,250	\$23,850	\$25,500	\$27,150
<b>Very Low- Income (50% Limits)</b>	\$24,000	\$27,450	\$30,850	\$34,300	\$37,050	\$39,800	\$42,550	\$45,300
<b>60% Limits</b>	\$28,800	\$32,940	\$37,020	\$41,160	\$44,460	\$47,760	\$51,060	\$54,360
<b>Low-Income (80% Limits)</b>	\$38,400	\$43,900	\$49,400	\$54,900	\$59,250	\$63,650	\$68,050	\$72,450

*Last Modified: January 2005*

## Chapter Three

### Calculating Annual (Gross) Income

As discussed in Chapter One, the HOME Program gives PJs the flexibility to choose one of three definitions of annual income to determine whether households are eligible for participation in the HOME Program. The three definitions are:

1. Annual income as defined in 24 CFR Part 5 (Part 5 annual income);
2. Annual income as reported under the Census long form for the most recent decennial census; and
3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

PJs may use different definitions of income for each of the different HOME activities it administers. For example, a PJ may decide to use the Part 5 definition of income for its rental projects and TBRA program, and use the Census long form definition within its homebuyer and owner-occupied rehabilitation programs. However, PJs must ensure that applicants to their HOME-funded programs and activities are treated equitably. For this reason, the same income definition must be used within a particular program or activity. For example, if a PJ decides to use the Part 5 definition of annual income for its homebuyer program, it must use this definition for all applicants to the homebuyer program. It may not use the Census definition for one applicant and the Part 5 definition for another applicant.

Chapter Two discussed how and when income information must be verified. This chapter provides detailed guidance about calculating annual (gross) income using each of the three allowable definitions.

#### Definition 1: Annual Income as Defined in 24 CFR Part 5

The annual income definition found at 24 CFR Part 5 is used by a variety of Federal programs including Section 8, public housing and the Low-Income Housing Tax Credit Program. Annual income is used to determine program eligibility and, in some programs, the level of assistance the household will receive. This definition was formerly commonly referred to as the Section 8 definition.

The Part 5 definition of annual income is the *gross amount of income of all adult household members that is anticipated to be received* during the coming 12-month period. Each of the italicized phrases in this definition is key to understanding the requirements for calculating annual income:

- **Gross amount.** For those types of income counted, gross amounts (before any deductions have been taken) are used;
- **Income of all adult household members.** The Part 5 definition of annual income contains income “inclusions” – types of income to be counted – and “exclusions” – types of income that are not considered (for example, income of minors); and
- **Anticipated to be received.** The Part 5 annual income is used to determine eligibility and the amount of Federal assistance a family can receive. A PJ must, therefore, use a household’s expected ability to pay, rather than past earnings, when estimating housing assistance needs.

**Chapter Three – Calculating Annual (Gross) Income**

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**Whose Income to Count**

Knowing whose income to count is as important as knowing which income to count. Under the Part 5 definition of annual income, special consideration is given to income earned by the following groups of people:

- **Minors.** Earned income of minors, including foster children (age 18 and under) is not counted. However, unearned income attributable to a minor (e.g., child support, TANF payments and other benefits paid on behalf of a minor) is included;
- **Live-in aides.** If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of the source, is not counted. Except under unusual circumstances, a related person does not qualify as a live-in aide.
- **Persons with Disabilities.** During the annual recertification of a family's income, PJs are required to exclude from annual income certain increases in the income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance. 24 CFR 5.617(a) outlines the eligible increases in income. These exclusions from annual income are of limited duration. The full amount of increase to a qualified family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, the PJ is required to exclude from annual income 50 percent of any increase in income. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 48-month period.
- **Temporarily absent family members.** The income of temporarily absent family members is counted in the Part 5 definition of annual income – regardless of the amount the absent member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns \$600 per week. He keeps \$200 per week for expenses and sends \$400 per week home to his family. The entire amount (\$600 per week) is counted in the family's income;
- **Adult students living away from home.** If the adult student is counted as a member of the household in determining the household size (to compare against the HUD income limits), the first \$480 of the student's income must be counted in the family's income. Note, however, that the \$480 limit does not apply to a student who is the head of household or spouse (their full income must be counted); and
- **Permanently absent family members.** If a family member is permanently absent from the household (e.g., a spouse who is in a nursing home), the head of household has the choice of either counting that person as a member of the household, and including income attributable to that person as household income, or specifying that the person is no longer a member of the household.

**Types of Income to Count**

Exhibits 3.1 and 3.2 provide a comprehensive list of income that is included and excluded from calculations of annual income under Part 5. This list comes directly from the Federal regulations at 24 CFR 5.609. HUD updates this list when changes are made by Congress. Program administrators generally are expected to implement changes within 60 days of publication in the *Federal Register*.

## Chapter Three – Calculating Annual (Gross) Income

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In general, income exclusions fall into the following categories:

- Benefits that should not be counted as income;
- Income of certain household members that should not be counted, including earned income of minors and income attributable to foster children and live-in aides; and
- Amounts that are counted as assets rather than income, such as lump-sum lottery winnings.

### ***Welfare Rent as Income***

Welfare assistance is counted as income. Most PJs will use the actual gross amount of welfare assistance the household receives. In certain “as-paid” localities, however, a special calculation is required. In an as-paid jurisdiction, welfare assistance for housing costs is established separately from the rest of the welfare assistance and may be adjusted based on the actual cost of the family’s housing.

PJs in as-paid jurisdictions must count as income the amount of general assistance a family receives plus the maximum amount of housing assistance the family *could* receive (rather than the amount the household is actually receiving).

### **Sample Format for Computing Part 5 Annual Income**

Exhibit 3.3 shows a sample format for computing annual income using the Part 5 annual income definition.

Exhibits 3.4 through 3.7 provide examples and exercises that demonstrate how the Part 5 annual income definition is applied to individual family circumstances. Answers to the exercises are provided in each exhibit. These exhibits do not include income from assets, which is addressed below. Examples and exercises concerning asset calculation follow that discussion.

### **Treatment of Assets**

Some assistance programs require that families “spend down” assets before they

can participate. There is no asset limitation for participation in the HOME Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. To comply with the Part 5 rules regarding assets, PJs must know: (1) what to include as assets, (2) how to compute the market and cash value of those assets, and (3) how to determine the income from the asset to be included in annual income.

### ***What to Include as an Asset***

In general terms, an asset is a cash or non-cash item that can be converted to cash. Exhibit 3.8 summarizes items that are and are not to be considered assets. (Note: it is the income earned – e.g., interest on a savings account – not the value of the asset – that is counted in annual income.) Exhibits 3.9 through 3.11 provide examples and exercises that demonstrate how income from assets is calculated. Market Value and Cash Value Assets have both a market value and a cash value. The market value of an asset is simply its dollar value on the open market. For example, the market value of a share of stock is the price quoted on the stock exchange on a particular day. A property’s market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties.

An asset’s cash value is the market value less reasonable expenses required to convert the asset to cash, including:

- **Penalties or fees for converting financial holdings.** Any penalties, fees, or transaction charges levied when an asset is converted to cash are deducted from the market value to determine its cash value (e.g., penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds to cash or broker fees for converting stocks to cash); and/or
- **Costs for selling real property.** Settlement costs, real estate transaction fees, payment of mortgages/liens

**Chapter Three – Calculating Annual (Gross) Income**

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against the property and any legal fees associated with the sale of real property are deducted from the market value to determine equity in real estate.

Under the rules of Part 5, only the cash value (rather than the market value) of an item is counted as an asset. If more than one person owns an asset, PJs must prorate the asset according to the applicant's percentage of ownership. If no percentage is specified or provided by state or local law, PJs must prorate the asset evenly among all owners. If an asset is not effectively owned by an individual, it is not counted as an asset.

***Actual Income from Assets***

Assets can generate income, and for the purpose of determining an applicant's income, the actual income generated by the asset (e.g., interest on a savings or checking account) is what counts, not the value of the asset. The income is counted, even if the household elects not to receive it. For example, if an applicant elects to reinvest the interest or dividends from an asset, it is still counted as income.

As with other types of income, the income included in annual income calculation is the income that is anticipated to be received from the asset during the coming 12 months. Several methods may be used to approximate the anticipated income from the asset. For example, to obtain the anticipated interest on a savings account, the current account balance can be multiplied by the current interest rate applicable to the account. Alternatively, if the value of the account is not anticipated to change in the near future and the interest rate has been stable, a copy of the IRS 1099 form showing past interest earned can be used.

Many PJs are surprised to learn that checking account balances (as well as savings account balances) are considered an asset. This rule is not intended to count monthly income as an asset, but rather, is recognition that some households keep

assets in their checking accounts. To avoid counting monthly income as an asset, PJs should use the average monthly balance over a six-month period as the cash value of the checking account.

**Two Unique Rules**

For most assets, calculating cash value and the income from the assets is straightforward. Special rules have, however, been established to address two circumstances – situations in which the assets produce little or no income, and assets that are disposed of for less than fair market value.

***When an Asset Produces Little or No Income***

This rule assumes that a household with assets has an increased payment ability, even if its assets do not currently produce income. (For example, a household that owns land that is not rented or otherwise used to produce income.) Rather than require the household to dispose of the property, the rule requires that an "imputed" income be calculated based on a Passbook Rate that is applied to the cash value of all assets.

This rule only applies if the total cash value of **all** assets is more than \$5,000. The following examples illustrate how imputed income from assets calculation is applied.

**Example 1:** The Cayhill family has \$6,000 (average balance over six months) in a non-interest-bearing checking account. The PJ would include in annual income an amount based on the current Passbook Rate. The calculation would be:  $\$6,000 \times .02 = \$120$ .

**Example 2:** The Shaw family has \$3,000 (average balance over six months) in a non-interest-bearing checking account and \$5,500 in an interest-bearing savings account. The family reports and the PJ verifies \$150 interest on the savings account. The PJ would count the greater of the actual income from assets or the imputed income based on the Passbook Rate, as shown below:

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Imputed income (\$8,500 x .02) =	\$170
Actual income	\$150
Included in annual income	\$170

**Note:** Currently, each Field Office establishes the passbook savings rate to be used by the PHAs within its jurisdiction. A Field Office determines the rate based on the average interest rate received on passbook savings accounts at several banks in the local area (24 CFR 5.609 and Form HUD-50058 Family Report Instruction Booklet,<sup>8</sup> p. 22). Although the new Public Housing Occupancy Guidebook,<sup>9</sup> page 122, footnote 35, states that "Consistent with the Multi-family Housing Program, PHAs will use a standard 2% passbook rate," the current method described above will remain in effect until superceded by PIH Notice. Check with your state or regional HUD Field Office for the applicable Passbook Rate for your community.

**Example 3:** The Smiths have \$600 (average balance over six months) in a non-interest-bearing checking account. No income from assets would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.

***When Assets are Disposed of at Less than Fair Market Value***

Applicants who dispose of assets for less than fair market value (i.e., value on the open market in an "arm's length transaction") have, in essence, voluntarily reduced their ability to afford housing. The Part 5 rules require, therefore, that any asset disposed of for less than fair market value during the two years preceding the income determination be counted as if the household still owned the asset.

The amount to be included as an asset is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset. Consider the following examples.

**Example 1:** Mr. Jones cashed in stock to give a granddaughter funds for college in August 2004. The stock had a market value of \$4,500 and a broker fee of \$500 was charged for the transaction.

Market value	\$4,500
Less broker's fee	<u>500</u>
Cash value to be considered	\$4,000

The \$4,000 in assets would be counted for any income determination conducted until August 2006 (looking forward two years from the time of disposal).

If Mr. Jones has no other assets, no income from assets would be included in annual income because the cash value of the asset is less than \$5,000. If other assets brought total assets to more than \$5,000, however, the imputed income calculation described previously would be required.

**Example 2:** Mrs. Dutch "sold" a piece of property to a family member for \$30,000 on July 1, 2004. The home was valued at \$75,000 and had no loans against it.

Market value	\$75,000
Less settlement costs	3,000
Less sales price	<u>30,000</u>
Cash value to be considered	\$42,000

The \$42,000 would be counted as an asset for any income determination conducted until July 1, 2006.

The \$42,000 would be combined with the cash value of other assets (if any), and an imputed income calculation would be required.

Each applicant must certify whether an asset has been disposed of for less than fair market value. Assets disposed of for less than fair market value as a result of foreclosure or bankruptcy are not included in this calculation. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant receives (or received) important consideration not measurable in dollar terms.

## Chapter Three – Calculating Annual (Gross) Income

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### Definition 2: Census Long Form Annual Income

Every ten years, the U.S. Bureau of the Census conducts a complete enumeration of all residents in the United States. This process involves gathering extensive information about people and where they live through the use of a detailed questionnaire, referred to as the Long Form. An entire section of the Long Form includes questions concerning household income. PJs may choose to use this definition of "annual income" when determining the eligibility of applicants to its HOME programs.

#### Types of Income to be Counted

Exhibit 3.12 lists what is and is not included in the annual income definition as set forth in the Long Form used in the 2000 census.

The list of income inclusions for the Census Long Form definition is very similar to the list of income inclusions under the Part 5 definition of annual income. However, Part 5 includes the income of minors and adults over the age of 18 whereas the Census Long Form definition includes the income of minors and adults over the age of 15.

#### *Treatment of Assets*

The primary difference between the Part 5 and Census Long Form definitions of annual income is in the treatment of assets. The asset calculation required when using the Part 5 definition is not necessary for the Long Form calculation of annual income. This is not to say that income from certain kinds of assets is not included in the Census Long Form definition of income. While the asset calculation is unique to the Part 5 definition, income generated by assets is still considered when calculating income under the Census (and IRS) definition of income.

As shown in Exhibit 3.12, the following types of income from assets are included in the Census Long Form definition of annual income:

- Interest;

- Dividends;
- Profit from royalties or real estate; and
- Income from payments from an estate or trust fund.

Income from some types of assets, however, is not included in the income calculation. Examples include:

- Withdrawals of savings;
- Capital gains (or losses) from the sale of homes, stock, and other property;
- Insurance settlements; and
- Assets disposed of for less than fair market value within two years prior to the income determination.

The treatment of assets is an important distinction PJs must consider when determining which definition of annual income to use.

### Sample Format for Computing Census Long Form Annual Income

Exhibit 3.13 is a sample format for calculating annual income based on the Census Long Form definition. It is very similar to the sample format for Part 5 annual income except that the asset calculation information is not included.

Exhibit 3.14 provides an example of the Census Long Form annual income calculation.

### Definition 3: IRS Form 1040 Adjusted Gross Income

Citizens of the United States and resident aliens, except those with gross incomes below a certain level, are required to file an income tax return with the Department of the Treasury's Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The definition of adjusted gross income for the HOME Program is based on this form, also commonly referred to as "the long form." The definition set forth in the short form, known as the 1040EZ (known as "the short form"), may not be used to determine applicant eligibility.

## Chapter Three – Calculating Annual (Gross) Income

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IRS Form 1040 requires reporting of certain kinds of income, as the Part 5 and Census Long Form definitions of income discussed in this guide require, which are added together to constitute what is referred to as gross income. However, unlike the other two definitions of income, another step is required. From the gross income figure, certain deductions are taken to arrive at an adjusted gross income number. This is the figure that is used to determine an applicant's eligibility for participation in the HOME Program.

The term "adjusted gross income" as used when referring to the IRS Form 1040 definition of income should not be confused with adjusted income, which is calculated in accordance with the regulations at 24 CFR Part 5 and used to determine subsidy and payment levels. (Refer to Chapter 4).

**Note:** The HOME and CDBG Programs use the IRS definition of annual income in different ways:

- CDBG does not require use of the long form.
- CDBG allows tax returns as proof of income.
- Documentation for CDBG income qualification can be up to 12 months old.

### Calculating Adjusted Gross Income

PJs must determine if an applicant household has any of the types of income included in the Form 1040 definition of income and what amount, if any, must be included when calculating gross income.

Exhibit 3.15 lists the types of income that are to be included in the calculation.

Once the gross income figure is obtained, applicable deductions must be subtracted to arrive at the household's adjusted gross income. The deductions are:

- IRA deductions,
- Medical savings account deductions,
- Moving expenses,

- One-half of self-employment taxes,
- Self-employed health insurance deductions,
- KEOGH and self-employed SEP and SIMPLE plans,
- Penalties on early withdrawal of savings, and
- Paid alimony.

To determine if a household may take any of these deductions and in what amount, the IRS Form 1040 instructions should be followed.

If the household has a Form 1040 that was submitted to the IRS for income tax purposes and the form is less than six months old, PJs may use the form to determine eligibility. Using the actual tax return has several implications. First, PJs must ensure that IRS Form 4506 "Request for Copy of Tax Form" is completed and signed. Secondly, PJs are required to determine if any of the circumstances as reported on the form have changed or will change in the upcoming 12 months and to make such adjustments. For example, if the applicant received a raise at his/her job since the tax return was submitted, the applicant's current income should be used to determine eligibility. Finally, PJs must ensure that everyone in the household is represented through the use of the tax return. For example, if a husband and wife file a joint return, but their adult son that resides with them files a separate return, the tax return of the husband and wife would not be sufficient for determining income.

### Treatment of Assets

The primary difference between the Part 5 and IRS Form 1040 definitions of annual income is treatment of assets. The asset calculation required when using the Part 5 definition is not necessary for the IRS Form 1040 calculation of adjusted gross income. This is not to say that income from certain kinds of assets is not included in the IRS Form 1040 definition of income. While the asset calculation is unique to the Part 5

## Chapter Three – Calculating Annual (Gross) Income

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definition, income from certain assets must still be carefully considered when calculating income under the IRS (and Census) definition of annual income.

As shown in Exhibit 3.15, the following types of income from assets are included in the IRS Form 1040 definition of annual income:

- Taxable Interest;
- Dividends;
- Prizes, awards; and
- Gambling, lottery or raffle winnings.

Some types of assets, however, are not included in the income calculation. Examples include life insurance proceeds and inherited money or property.

The treatment of assets is an important distinction PJs must consider when determining which definition of annual income to use.

### **Sample Format for Computing IRS Form 1040 Adjusted Gross Income**

Exhibit 3.16 is a sample format for computing IRS Form 1040 adjusted gross income. Exhibit 3.17 provides an example of how to calculate income using the IRS definition.

### **Comparison of the Three Definitions of Annual Income**

As the exhibits on the following pages demonstrate, the definition of annual income that a PJ selects can affect the eligibility of certain households, depending on their particular financial circumstances. When deciding which definition(s) to use, the PJ may want to consider how it will use each definition, staff familiarity with any of the definitions, the types of income inclusions and exclusions for each definition, and the calculation of assets.

### **Using the Definitions**

PJs must select one of the three definitions of income for each of their HOME-funded activities and apply that definition to all program applicants of each activity. For example, a PJ can choose to use the Part 5 definition of annual income for its homeownership program. If it does, it must apply this definition to all applicants to that program. It may not use the IRS Form 1040 definition of adjusted gross income for one household just because they do not qualify using the Part 5 definition of annual income. The PJ may, however, choose to use the IRS Form 1040 definition for all applicants to its homeowner rehabilitation program.

### **Familiarity and Consistency**

While the HUD definition of income found in 24 CFR Part 5 may appear cumbersome on the surface, it has been used for many years in various HUD programs like Section 8 and public housing. Early on in the HOME Program, it was the only definition of annual income PJs were permitted to use. In addition, the HUD Part 5 definition of income is used in the Low Income Housing Tax Credit Program. This program is often used in combination with HOME Program funding in rental housing projects.

For these reasons, most PJs have experience with this definition, and many have developed administrative procedures and forms based on these rules and requirements. This existing expertise should be considered when making a decision about which definition to use.

### **Asset Calculation**

The Part 5 definition of annual income requires the special computations concerning assets. The Census Long Form and IRS Form 1040 definitions do not require such calculations; however, income from certain kinds of assets may be included under these definitions.

## **Chapter Three – Calculating Annual (Gross) Income**

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### **Income Inclusions and Exclusions**

There are some differences between the three definitions of income that can result in different income calculations. Some of the differences are illustrated in the following case studies (Exhibits 3.18 and 3.19). The three most significant differences between the three definitions are:

1. Child support payments are not included in the IRS Form 1040 definition of income.
2. The IRS Form 1040 definition allows the deduction of alimony payments.
3. Inheritances and insurance settlements are included in the Part 5 asset calculation, but not included in the Census or IRS definitions of income.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.1 – 24 CFR Part 5 Annual Income Inclusions**

<p>1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.</p> <p>2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. 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. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.</p> <p>3. 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 deductions in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in 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 rate, as determined by HUD.</p> <p>4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except for certain exclusions, listed in Exhibit 3.2, number 14).</p>	<p>5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except for certain exclusions, as listed in Exhibit 3.2, number 3).</p> <p>6. Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income:</p> <ul style="list-style-type: none"> <li>• Qualify as assistance under the TANF program definition at 45 CFR 260.31; and</li> <li>• Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c).</li> </ul> <p>If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:</p> <ul style="list-style-type: none"> <li>• the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; <b>plus</b></li> <li>• the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is reduced from the standard of need by applying a percentage, the amount calculated under 24 CFR 5.609 shall be the amount resulting from one application of the percentage.</li> </ul> <p>7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.</p> <p>8. All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).</p>
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**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.2 – 24 CFR Part 5 Annual Income Exclusions**

<ol style="list-style-type: none"> <li>1. Income from employment of children (including foster children) under the age of 18 years.</li> <li>2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).</li> <li>3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in Exhibit 3.1, number 5 of Income Inclusions).</li> <li>4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.</li> <li>5. Income of a live-in aide (as defined in 24 CFR 5.403).</li> <li>6. Certain increases in income of a disabled member of qualified families residing in HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)).</li> <li>7. The full amount of student financial assistance paid directly to the student or to the educational institution.</li> <li>8. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.</li> <li>9. (a) Amounts received under training programs funded by HUD.        (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS).        (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.        (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn</li> </ol>	<p>maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time.</p> <p>(e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.</p> <ol style="list-style-type: none"> <li>10. Temporary, nonrecurring, or sporadic income (including gifts).</li> <li>11. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.</li> <li>12. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).</li> <li>13. Adoption assistance payments in excess of \$480 per adopted child.</li> <li>14. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.</li> <li>15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.</li> <li>16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.</li> <li>17. 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 any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to housing owners identifying the benefits that qualify for this exclusion.</li> </ol>
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**Chapter Three – Calculating Annual (Gross) Income**

<p>Updates will be published and distributed when necessary. The following is a list of income sources that qualify for that exclusion:</p> <ul style="list-style-type: none"> <li>• The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;</li> <li>• Payments to volunteers under the Domestic Volunteer Service Act of 1973 (employment through AmeriCorps, VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);</li> <li>• Payments received under the Alaskan Native Claims Settlement Act;</li> <li>• Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;</li> <li>• Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;</li> <li>• Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program;</li> <li>• Payments received under the Maine Indian Claims Settlement Act of 1980 ( 25 U.S.C. 1721);</li> <li>• The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands;</li> <li>• Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs;</li> <li>• Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program);</li> </ul>	<ul style="list-style-type: none"> <li>• Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the <u>In Re Agent Orange</u> product liability litigation, M.D.L. No. 381 (E.D.N.Y.);</li> <li>• Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments;</li> <li>• The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;</li> <li>• Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps);</li> <li>• Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;</li> <li>• Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990;</li> <li>• Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;</li> <li>• Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and</li> <li>• Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.</li> </ul>
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***Last Modified: January 2005***

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.3 – Sample Format for Computing Part 5 Annual Income**

1. Name:		2. Identification No.:			
ASSETS					
Family Member	Asset Description		Current Cash Value of Assets		Actual Income from Assets
3. Net Cash Value of Assets.....			3.		
4. Total Actual Income from Assets.....					4.
5. If line 3 is greater than \$5,000, multiply line by ____ (Passbook Rate) and enter results here; otherwise, leave blank.					5.
ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7.

X \_\_\_\_\_  
Signature

For Office Use Only

\$ \_\_\_\_\_ Income Limit  
\$ \_\_\_\_\_ Income Limit of Household

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.4 – Calculating Part 5 Annual Income – Example**

Family Members	Position in Family	Age	Income Sources
George Jefferson	Head	53	Works full-time at \$7.25/hour; also receives \$400/month from the government as a result of a settlement in the Agent Orange product liability litigation.
Eloise Jefferson	Spouse	48	Works 18 hours/week at a bank at \$7.50/hour; also receives \$50/month from her mother to help with expenses.
Lionel Jefferson	Son	19	Full-time student at City College where he has a part-time, 15-hour/week job in the student bookstore at \$6.00/hour for the 46 weeks when classes are in session.

Under the HOME Program, the Income Limit for a family of three in the jurisdiction is \$23,900. Are the Jefferson's eligible for HOME assistance? Assume for this example that the Jefferson's have no assets.

ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
George	\$15,080				Enter the greater of lines 4 or 5 from above in e.
Eloise	\$7,020			\$600	
Lionel	\$480				
6. Totals	a. \$22,580	b.	c.	d. \$600	e. N/A
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7. \$23,180

This family is eligible for assistance because its total income of \$23,180 is below the Low-Income Limit.

**Explanation**

- George George's earning from work count as income, but his income from the Agent Orange Settlement Fund (\$4,800/year) does not. Thus, George's income is \$7.25/hour x 40 hours/week x 52 weeks/year, or \$15,080.
- Eloise Eloise's income from wages of \$7.50/hour x 18 hours/week x 52 weeks, or \$7,020. In addition, her regular gift income of \$50/month or \$600/year counts as income. (The gift income is counted as "other income.")
- Lionel Because Lionel is a full-time student and is not the head of household or spouse, only the first \$480 of his earnings count toward the family income.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.5 – Calculating Part 5 Annual Income – Exercise**

Family Members	Position in Family	Age	Income Sources
Blanche Deverou	Head	55	Works 6 hours/night, 4 nights/week at \$5.00/hour as a waitress; also earns an average of \$55/night in tips.
Rose Nylan	Friend	58	Earns \$6.50/hour as a full-time aide in a hospital; employer reports that her wages will increase to \$6.75/hour, 7 weeks from the effective date of this calculation.
Dorothy Spornac	Friend	61	Earns \$60/day as a substitute teacher, and works an average of 3 days/week for the 40 weeks school is in session (she made \$7,200 last year); also receives \$40/month in Food Stamps.

Under the HOME Program, the Income Limit for a household of three is \$38,500. Assuming that these are the only sources of income, does the household qualify for assistance?

Complete the following table to calculate annual income (as defined in 24 CFR Part 5) for the household. Answers are found on the following page.

ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Blanche					Enter the greater of lines 4 or 5 from above in e.
Rose					
Dorothy					
6. Totals	a.	b.	c.	d.	e. N/A
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.5 – Calculating Part 5 Annual Income – Exercise (continued)**

**ANSWERS**

ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Blanche	\$17,680				Enter the greater of lines 4 or 5 from above in e.
Rose	\$13,980				
Dorothy	\$7,200				
6. Totals	a. \$38,860	b.	c.	d.	e. N/A
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7. \$38,860

The household is not eligible for assistance. Its income exceeds the Low-Income Limit by \$360.

**Explanation**

**Blanche** Blanche's income must include both wages and tips. (The tips are included as wage/salary income.) Her wage income is \$6,240 annually (\$5.00/hour x 6 hours/night x 4 nights/week x 52 weeks/year) and her tip income is \$11,440 annually (\$55/night x 4 nights/week x 52 weeks/year).

**Rose** Rose's wage income must be calculated in two steps. For the first 6 weeks of the year, she earns \$6.50/hour. Her income at this wage is \$6.50/hour x 40 hours/week x 6 weeks = \$1,560. For the next 46 weeks, her wage will be \$6.75/hour. Her income at this wage is \$6.75/hour x 40 hours/week x 46 weeks = \$12,420.

**Dorothy** Dorothy made \$7,200 last year, and there is no reason to expect that she will work more or less often in the coming year. Her income is, therefore, estimated at \$7,200. Per the Income Exclusions (see Exhibit 3.2), the income she receives from Food Stamps is excluded from this calculation.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.6 – Calculating Part 5 Annual Income – Example**

Family Members	Position in Family	Age	Income Sources
Murphy Brown	Head	38	Earns \$550 semi-monthly as a manager in the housewares department of the local Kmart, and receives \$100/month in child support.
Eldon Bernakey	Boyfriend	36	Earns \$250/week as a part-time painting instructor at the local school for the 40 weeks/year when school is in session; attends evening classes at the Art Institute, which he pays with a State Student Incentive Grant of \$3,500; and pays \$50/month in child support for his twins – when he can.
Avery Brown	Son	3	No income.

Under the HOME Program, the Income Limit for a family of three in the jurisdiction is \$25,700. Is this household eligible for HOME assistance?

ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Murphy	\$13,200			\$1,200	Enter the greater of lines 4 or 5 from above in e.
Eldon	\$10,000				
6. Totals	a. \$23,200	b.	c.	d. \$1,200	e. N/A
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7. \$24,400

This family is eligible for assistance. Its total income is \$24,400, which is below the Low- Income Limit.

**Explanation**

- Murphy** Murphy's annual wage income is \$550 semi-monthly x 24 periods/year, or \$13,200. In addition, she receives \$100/month x 12 months = \$1,200/year. This is other income.
- Eldon** Eldon's wage income is based on 40 weeks of work: \$250/week x 40 weeks/year, or \$10,000 annually. His scholarship does not count as income. The child support Eldon pays cannot be deducted from his income.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.7 – Calculating Part 5 Annual Income – Exercise**

Family Members	Position in Family	Age	Income Sources
Ricky Ricardo	Head	80	Receives gross Social Security in the amount of \$625/month; receives a pension from the local musicians' union in the amount of \$25 every quarter (3 months).
Lucy Ricardo	Spouse	79	Receives gross Social Security in the amount of \$120/month; grossed \$4,200 for giving voice lessons last year, but paid business expenses of \$1,250 from this income for equipment and sound proofing.
Ricky Ricardo II	Child	45	Earns \$330/week as an interpreter for a local nonprofit organization.

If the Low-Income Limit for a household of three is \$30,000 and the Ricardo's have no other source of income, do they qualify for assistance?

Complete the following table to calculate annual income (as defined in 24 CFR Part 5) for the household. Answers are found on the following page.

ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Ricky					Enter the greater of lines 4 or 5 from above in e.
Lucy					
Ricky II					
6. Totals	a.	b.	c.	d.	e. N/A
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.7 – Calculating Part 5 Annual Income – Exercise (continued)**

**ANSWERS**

<b>ANTICIPATED ANNUAL INCOME</b>					
<b>Family Members</b>	<b>a. Wages/ Salaries</b>	<b>b. Benefits/ Pensions</b>	<b>c. Public Assistance</b>	<b>d. Other Income</b>	<b>e. Asset Income</b>
Ricky		\$7,600			Enter the greater of lines 4 or 5 from above in e.
Lucy		\$1,440		\$2,950	
Ricky II	\$17,160				
<b>6. Totals</b>	<b>a. \$17,160</b>	<b>b. \$9,040</b>	<b>c.</b>	<b>d. \$2,950</b>	<b>e. N/A</b>
<b>7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....</b>					<b>7. \$29,150</b>

The household is eligible for assistance.

**Explanation**

- Ricky Ricky’s entire income is comprised of pensions and benefits. It equals \$625/month x 12 months/year (\$7,500) plus \$25/quarter x 4 quarters/year (\$100), or \$7,600.
- Lucy Lucy’s benefits income is \$120/month x 12 months/year, or \$1,440. Her net income from her business was \$4,200 - \$1,250, or \$2,950. (Her equipment and soundproofing expense is an allowable deduction because the business funds were reinvested in the business and did not represent expansion. Refer to Exhibit 3.1)
- Ricky II Ricky II’s income is wage income. The calculation is \$330/week x 52 weeks/year = \$17,160.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.8 – Part 5 Annual Income Net Family Asset Inclusions and Exclusions**

Inclusions	Exclusions
<ol style="list-style-type: none"> <li>1. 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. Assets held in foreign countries are considered assets.</li> <li>2. Cash value of revocable trusts available to the applicant.</li> <li>3. 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.</li> <li>4. Cash value of stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts.</li> <li>5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).</li> <li>6. Retirement and pension funds.</li> <li>7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).</li> <li>8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.</li> <li>9. 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.</li> <li>10. Mortgages or deeds of trust held by an applicant.</li> </ol>	<ol style="list-style-type: none"> <li>1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars, and vehicles specially equipped for persons with disabilities.</li> <li>2. Interest in Indian trust lands.</li> <li>3. Assets not effectively owned by the applicant. 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.</li> <li>4. Equity in cooperatives in which the family lives.</li> <li>5. Assets not accessible to and that provide no income for the applicant.</li> <li>6. Term life insurance policies (i.e., where there is no cash value).</li> <li>7. 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.</li> </ol>

**Last Modified: January 2005**

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.9 – Calculating Asset Income Under Part 5 – Example**

Family Members	Assets	Asset Value
Juan Herrera	Checking account	\$870 average 6-month balance with an interest rate of 2.7%.
	Inheritance	Received an inheritance of \$30,000 that he used to buy a new car for \$12,000; pay off his \$3,000 credit card bill; and open a mutual fund account (which has no associated account costs) to invest the remaining \$15,000 at an annual interest rate of 5.3%.
The HUD Passbook Rate is 2%.		

ASSETS			
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Juan Herrera	Checking account	\$870	\$23
Same	Mutual fund	\$15,000	\$795
3. Net Cash Value of Assets .....		3. \$15,870	
4. Total Actual Income from Assets .....			4. \$818
5. If line 3 is greater than \$5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.			5. \$317

The asset income to be used in the annual income calculation is \$818 since the actual income generated by the assets is greater than the imputed income.

**Explanation**

**Checking account** The income from the checking account is calculated based on the 6-month balance and the interest rate ( $\$870 \times .027 = \$23$ ).

**Inheritance** A car owned for personal use is not considered an asset. However, the mutual fund is an asset.  $\$15,000 \times .053 = \$795$ .

Because the total cash value of the assets exceeds \$5,000, the HUD Passbook Rate must be used to calculate the imputed income from all assets combined. In this case,  $\$15,870 \times .02 = \$317$ . The actual income earned (\$818) is greater, however, so that amount must be used in the calculation of annual income for this family.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.10 – Calculating Asset Income (under Part 5) – Exercise**

Family Members	Position in Family	Age	Family Assets	Asset Value
Archie Bunker	Head	72	Checking account	\$595 average 6-month balance in a non-interest-bearing account.
Edith Bunker	Spouse	73	Savings account	\$2,695 at 3.1%

HUD Passbook rate is 2%.

Calculate the Bunkers' asset income by completing the following chart. Answers are provided below.

ASSETS			
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
3. Net Cash Value of Assets.....		3.	
4. Total Actual Income from Assets.....			4.
5. If line 3 is greater than \$5,000, multiply line by ____ (Passbook Rate) and enter results here; otherwise, leave blank.			5.

Asset Income to be used in annual income calculation: \$ \_\_\_\_\_

**ANSWERS**

ASSETS			
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
Archie Bunker	Checking Account	\$595	\$0
Edith Bunker	Savings Account	\$2,695	\$84
3. Net Cash Value of Assets.....		3. \$3,290	
4. Total Actual Income from Assets.....			4. \$84
5. If line 3 is greater than \$5,000, multiply line by ____ (Passbook Rate) and enter results here; otherwise, leave blank.			5. \$0

The Bunkers' income from assets is \$84.

**Explanation**

Use the actual income in this case, because the cash value of the Bunker's total assets is less than \$5,000. The imputed income is only calculated for assets when the total cash value of all assets exceeds \$5,000.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.11 – Calculating Asset Income Under Part 5 – Exercise**

Family Members	Position in Family	Age	Family Assets	Asset Value
Fred Mertz	Head	85	Rental property	Small rental property that grosses \$6,500/year (expenses to keep up the property are \$3,400/year). The property has a fair market value of \$69,000, but they have a mortgage on the property in the amount of \$35,000. The average closing cost in a real estate transaction is 8% in the area.
Ethel Mertz	Spouse	81	Savings account	Savings of \$5,000 that earned \$179 in interest during the past year.
			Stock	100 shares of stock in "Why Buy it, Inc.," with a face value of \$4.25 per share, that have not shown a dividend in years. The cost to sell the stock would be about \$76.

HUD Passbook rate is 2%.

Calculate the Mertz's asset income by completing the following chart. Answers are provided on the following page.

ASSETS			
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets
3.	Net Cash Value of Assets.....	3.	
4.	Total Actual Income from Assets.....		4.
5.	If line 3 is greater than \$5,000, multiply line by ____ (Passbook Rate) and enter results here; otherwise, leave blank.		5.

Asset Income to be used in annual income calculation: \$ \_\_\_\_\_

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.11 – Calculating Asset Income – Exercise (continued)**

**ANSWERS**

<b>ASSETS</b>			
<b>Family Member</b>	<b>Asset Description</b>	<b>Current Cash Value of Assets</b>	<b>Actual Income from Assets</b>
Fred Mertz	Rental Property	\$28,480	\$3,100
Ethel Mertz	Savings Account	\$5,000	\$179
Same	Stock	\$349	
3. Net Cash Value of Assets.....		3. 33,829	
4. Total Actual Income from Assets.....			4. \$3,279
5. If line 3 is greater than \$5,000, multiply line by 2% (Passbook Rate) and enter results here; otherwise, leave blank.			5. \$677

The asset income to be used in the annual income calculation is \$3,279, since the actual income from assets is greater than the imputed income.

**Explanation**

Apartment Building      The cash value of the property is:

Market value	\$69,000
Less mortgage	35,000
Less sales costs (\$69,000 X .08)	5,520
Cash value	\$28,480

The income earned is the net income (\$6,500 – \$3,400) of \$3,100.

Savings Account      The information is provided.

Stock      The cash value of the stock is the sales proceeds (100 shares x \$4.25/share = \$425) less the cost to sell (\$76). It generates no dividend income.

Because the total cash value of the assets exceeds \$5,000, calculate the imputed income by multiplying the cash value by the HUD Passbook Rate (\$33,829 x .02 = \$677). This is less than the actual income earned of \$3,279.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.12 – Census Long Form Annual Income Inclusions and Exclusions**

Inclusions	Exclusions
<ol style="list-style-type: none"> <li>1. Wages, salary, commissions, bonuses and tips from all jobs before deductions for taxes, bonds, dues, or other items. (For minors over the age of 15 and adults.)</li> <li>2. Self-employment net income (after business expenses) from own non-farm business or farm business, including proprietorship and partnership.</li> <li>3. Any of the following: <ul style="list-style-type: none"> <li>• Interest received or credited to checking and savings accounts, money market funds, certificates of deposit, mutual funds, individual retirement accounts (IRAs), 401(K) plans, KEOGH retirement plans, and government bonds.</li> <li>• Dividends received, credited, or reinvested from ownership of stocks or mutual funds.</li> <li>• Profit (or loss) from royalties or rental of land, buildings or real estate, or roomers or boarders. (Income received from self-employed persons whose primary source of income is renting properties or from royalties should be included in number 2, above.)</li> <li>• Income from regular payments from an estate and or trust fund.</li> </ul> </li> <li>4. Social security or railroad retirement (before Medicare deductions).</li> <li>5. Supplemental Security Income (SSI).</li> <li>6. Any public assistance or welfare payments from the state or local welfare office.</li> <li>7. Retirement, survivor, or disability pensions from companies and unions; Federal, state and local governments; and the U.S. military. Includes regular income from annuities, IRAs, 401(K)s, or KEOGH retirement plans.</li> <li>8. Other sources of income received regularly, including Veterans Administration (VA) payments, unemployment compensation, child support or alimony, and all other regular payments (e.g., Armed Forces transfer payments, assistance from private charities, and regular contributions from persons not living in the household).</li> </ol>	<ol style="list-style-type: none"> <li>1. In-kind pay such as food, free rent, etc.</li> <li>2. Profit (or loss) of incorporated businesses owned by the applicant.</li> <li>3. Profit (or loss) of incorporated farm businesses owned by the applicant and amounts from land rented for cash.</li> <li>4. Any of the following: <ul style="list-style-type: none"> <li>• Refunds or rebates of any kind.</li> <li>• Withdrawals from savings of any kind.</li> <li>• Capital gains (or losses) from the sale of homes, shares of stock, etc.</li> <li>• Inheritances or insurance settlements.</li> <li>• Any type of loan.</li> </ul> </li> <li>5. Assistance to pay for heating or cooling costs.</li> </ol>

**Last Modified: January 2005**



**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.14 – Calculating Census Long Form Annual Income – Example**

Family Members	Position in Family	Age	Income Sources
Adrian Marshall	Head	43	Earns \$400/week as an airline employee.
Penny Marshall	Spouse	42	Earns \$16,000/year as an administrative assistant with an insurance company.
Shirley Marshall	Child	19	Earns \$7.00/hour working in a retail store at the mall. Works an average of 24 hours/week. Full-time student at the local community college.

**Their Assets**

The Marshall's non-interest-bearing checking account has an average 6-month balance of \$700.

Penny Marshall has a savings account with a \$2,500 balance. The account earned interest of \$72 last year.

The Marshall's recently received an insurance settlement of \$20,000.

If the Low-Income Limit for a household of three is \$40,500, do the Marshall's qualify for assistance?

Name: <b>Adrian and Penny Marshall</b>		Identification No.:				
ANTICIPATED ANNUAL INCOME						
Family Member	a. Wages/ Salaries	b. Business Income	c. Interest/ Dividends	d. Benefits/ Pensions	e. Public Assistance	f. Other Income
Adrian	\$20,800					
Penny	\$16,000		\$72			
Shirley	\$ 8,736					
1. Totals	a. \$45,536	b.	c. \$72	d.	e.	f.
2. Enter total of items from 1a. through 1f. This is Annual Income .....						2. \$45,608

The Marshall's are not eligible for assistance because their income of \$45,608 is above the low -income limit of \$40,500.

**Explanation**

Adrian        Adrian's income is \$400/week x 52 weeks/year, or \$20,800.

Penny        Penny's income is \$16,000/year and she received \$72 in interest on the savings account.

Shirley      Shirley earns \$7.00/hour x 24 hours/week x 52 weeks/year, or \$8,736. Note: Even though Shirley is a full-time student, her full income is included in the Census Long Form definition of income.

The insurance settlement is excluded under the Census Long Form definition of annual income. The checking account is not included because it earns no interest.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.15 – IRS From 1040 Adjusted Gross Income Inclusions and Exclusions**

<b>Inclusions</b>	<b>Exclusions</b>
<ol style="list-style-type: none"> <li>1. Wages, salaries, tips, etc.</li> <li>2. Taxable interest.</li> <li>3. Dividends.</li> <li>4. Taxable refunds, credits or offsets of state and local income taxes. There are some exceptions – refer to Form 1040 instructions.</li> <li>5. Alimony (or separate maintenance payments) received.</li> <li>6. Business income (or loss).</li> <li>7. Capital gain (or loss). There are some exceptions – refer to Form 1040 instructions.</li> <li>8. Other gains (or losses) (i.e., assets used in a trade or business that were exchanged or sold).</li> <li>9. Taxable amount of individual retirement account (IRA) distributions. (Includes simplified employee pension [SEP] and savings incentive match plan for employees [SIMPLE] IRA.)</li> <li>10. Taxable amount of pension and annuity payments.</li> <li>11. Rental real estate, royalties, partnerships, S corporations, trusts, etc.</li> <li>12. Farm income (or loss).</li> <li>13. Unemployment compensation payments.</li> <li>14. Taxable amount of Social Security benefits.</li> <li>15. Other income, including prizes and awards; gambling, lottery or raffle winnings; jury duty fees; Alaska Permanent fund dividends; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit.</li> </ol>	<ol style="list-style-type: none"> <li>1. Child support.</li> <li>2. Money or property that was inherited, willed or given as a gift.</li> <li>3. Life insurance proceeds received as a result of someone's death.</li> </ol>

*Last Modified: January 2005*

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.16<sup>1</sup> – Sample Format for Computing IRS 1040 Series Adjusted Gross Income**

Name:		Identification No.:			
	Family Member				Subtotal (add a-d)
	a.	b.	c.	d.	
1. Wages, salaries, tips					
2. Taxable interest					
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)					
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					
15. Other income					
<b>16. Subtotal (lines 1-15)</b>					
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self- employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony					
<b>25. Subtotal (lines 17-24)</b>					
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i> .....					

<sup>1</sup> Note to users: The income inclusions and exclusions allowed under the IRS 1040 definition of income are subject to change from tax year to tax year. This worksheet is a general representation of the IRS Form 1040, and as such cannot reflect all updated inclusions and exclusions each tax year. The user is advised to consult the IRS Web site for the most current version of this form at [www.irs.gov](http://www.irs.gov).

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.17 – Calculating IRS Long Form Annual (Gross) Income – Example**

Family Members	Position in Family	Age	Income Sources
Bernard Williams	Head	35	Bernard owns a contracting business. The net income from the business is \$32,000.
Amy Moynihan	Girlfriend	32	Amy receives alimony of \$200/month and child support of \$350/month for her two sons.
Gary Moynihan	Son	10	None
Charles Moynihan	Son	7	None

**Their Assets**

Bernard's checking account has an average six month balance of \$1,725. He earned interest of \$100 last year.

Amy has a savings account with a \$500 balance. This account earned \$17 in interest last year.

Under the HOME Program, the Income Limit for a household of 4 is \$42,000. Does the household qualify for assistance?

Name: <b>Bernard Williams and Amy Moynihan</b>		Identification No.:			
	Family Member				Subtotal (add a-d)
	a.	b.	c.	d.	
1. Wages, salaries, tips					
2. Taxable interest	\$100	\$17			\$117
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received		\$2,400			\$2,400
6. Business income (or loss)	\$32,000				\$32,000
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					
15. Other income					
<b>16. Subtotal (lines 1-15)</b>					<b>\$34,517</b>
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self- employment tax					

**Chapter Three – Calculating Annual (Gross) Income**

	Family Member				Subtotal (add a-d)
	a.	b.	c.	d.	e.
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony					
<b>25. Subtotal (lines 17-24)</b>					<b>\$34,517</b>
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i> .....					<b>\$34,517</b>

The household is eligible for HOME assistance. Their annual income of \$34,517 is less than the Low-Income Limit of \$42,000.

**Explanation**

- Bernard     Bernard's business income of \$32,000 is included. Interest income of \$100 is included as interest.
- Amy         Alimony of \$200/month x 12 = \$2,400 is included. The child support is not included as income under the IRS definition of adjusted gross income. The \$17 in interest income is included as income.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.18 – Calculating Annual Income Using the Three Allowable Definitions – Example**

Family Members	Position in Family	Age	Income Sources
Daniel Ming	Head	39	Daniel Ming works full-time at a local manufacturing plant at a rate of \$11.00/hour.
Anabel Ming	Spouse	37	Anabel Ming operates an in-home day care business for a small number of neighborhood children. Her net income from this business is \$12,000 per year.
Marsha Ming	Daughter	13	None

**Assets**

- The Mings' non-interest-bearing checking account has a \$950 average 6-month balance.
- The Mings have a savings account with a current balance of \$5,000. The account carries an annual interest rate of 3%.
- The Mings also have certificates of deposit totaling \$5,000. The applicable interest rate is 5%.
- The Mings plan to use the savings account and redeem the certificates of deposit in order to pay the downpayment on the home they purchase.

**Additional Information**

- Daniel Ming pays \$200 per month in alimony to his ex-wife.

Under the HOME Program, the Income Limit for a family of three in the jurisdiction is \$34,500. Are the Mings eligible for HOME assistance under each of three definitions of income?

The following pages show the income calculations for the Mings using each of the three allowable definitions of income.

**Sample Format for Computing Part 5 Annual Income**

1. Name: Daniel and Anabel Ming		2. Identification			
ASSETS					
Family Member	Asset Description	Current Cash Value of Assets		Actual Income from Assets	
Daniel & Anabel	Checking account	\$950		\$0	
Daniel & Anabel	Savings	\$5,000		\$150	
Daniel & Anabel	Certificates of deposit	\$5,000		\$250	
3. Net Cash Value of Assets.....		3. \$10,950			
4. Total Actual Income from Assets.....				4. \$400	
5. If line 3 is greater than \$5,000, multiply line by .02 (Passbook Rate) and enter results here; otherwise, leave blank.				5. \$219	
ANTICIPATED ANNUAL INCOME					
Family Members	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Daniel	\$22,880				Enter the greater of lines 4 or 5 from above in e.
Anabel				\$12,000	
6. Totals	a. \$22,880	b.	c.	d. \$12,000	e. \$400
7. Enter total of items from 6a. through 6e. This is Annual Income .....					7. \$35,280

**Chapter Three – Calculating Annual (Gross) Income**

**Sample Format for Computing Census Long Form Annual Income**

Name: Daniel and Anabel Ming			Identification No.:			
<b>ANTICIPATED ANNUAL INCOME</b>						
<b>Family Member</b>	<b>a. Wages/ Salaries</b>	<b>b. Business Income</b>	<b>c. Interest/ Dividends</b>	<b>d. Benefits/ Pensions</b>	<b>e. Public Assistance</b>	<b>f. Other Income</b>
Daniel	\$22,880		\$400			
Anabel	\$12,000					
1. Totals	a. \$34,880	b.	c. \$400	d.	e.	f.
2. Enter total of items from 1a. through 1f. This is Annual Income .....						2. \$35,280

**Chapter Three – Calculating Annual (Gross) Income**

**Sample Format for Computing IRS 1040 Series Adjusted Gross Income**

Name: Daniel and Anabel Ming		Identification No.:			
	Family Member				Subtotal (add a-d)
	a. Daniel	b. Anabel	c.	d.	
1. Wages, salaries, tips	\$22,880				\$22,880
2. Taxable interest	\$400				\$400
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)		\$12,000			\$12,000
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					
15. Other income					
<b>16. Subtotal (lines 1-15)</b>					\$35,280
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self- employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony	\$2,400				\$2,400
<b>25. Subtotal (lines 17-24)</b>					\$2,400
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i> .....					\$32,880

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.18 – Calculating Annual Income Using the Three Allowable Definitions – Example**

<b>Section 8 Annual Income</b>	
1. Gross amount of wages, salaries, overtime pay, commissions, fees, tips and bonuses.	\$22,880
2. Net income from operation of a business or profession.	12,000
3. Interest, dividends, and other net income from real or personal property. Requires asset calculation.	400
4. Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits.	
5. Payments in lieu of earnings (unemployment, disability compensation, worker's compensation and severance pay).	
6. Welfare or other need based payments to families or individuals.	
7. Periodic and determinable allowances (alimony, child support payments, regular contributions or gifts).	
8. Regular pay, special pay and allowances of a member of the Armed Forces.	
<b>Total</b>	<b>\$35,280</b>
<b>Census Long Form Annual Income</b>	
1. Gross amount of wages, salaries, commissions, bonuses or tips from all jobs.	\$22,880
2. Net income from self-employment from non-farm business, including proprietorship and partnership.	12,000
3. Net income from farm self-employment, including earnings as sharecropper or tenant farmer.	400
4. Interest, dividends, net rental income, royalty income or income from estates or trusts.	
5. Social security or railroad retirement.	
6. Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF) or other public assistance or public welfare payments.	
7. Retirement, survivor or disability pensions.	
8. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, child support or alimony.	
<b>Total</b>	<b>\$35,280</b>
<b>IRS 1040 Adjusted Gross Income</b>	
1. Wages, salaries, tips, etc.	\$22,880
2. Taxable interest.	400
3. Dividend income.	
4. Taxable refunds, credits, or offsets of state and local income taxes.	
5. Alimony received.	
6. Business income (or loss).	12,000
7. Capital gain (or loss).	
8. Other gains (or losses)	
9. Taxable amount of individual retirement account (IRA) distributions.	
10. Taxable amount of pensions and annuities.	
11. Rental real estate, royalties, partnerships, S corporations, trust, etc.	
12. Farm income (or loss).	
13. Unemployment compensation.	
14. Taxable amount of Social Security benefits.	
15. Other income.	
<b>Subtotal A (Add 1–15)</b>	<b>\$35,280</b>

**Chapter Three – Calculating Annual (Gross) Income**

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<b>IRS 1040 Adjusted Gross Income</b>	
<b>Subtractions</b>	
16. IRA deduction (head of household and spouse).	
17. Medical savings account deduction.	
18. Moving expenses.	
19. One-half of self-employment tax.	
20. Self-employed health insurance deduction.	
21. Keogh and self-employed SEP and SIMPLE plans.	
22. Penalty on early withdrawal of savings.	
23. Paid alimony.	2,400
<i>Subtotal B (Add 16 – 23)</i>	2,400
Subtract subtotal B from subtotal A. This is the <b>Total</b> :	<b>\$32,880</b>

**Explanation**

The Mings are not eligible for HOME assistance using the Part 5 and Census Long Form definitions of annual income. Using these two definitions, the Mings income is \$35,280, which exceeds the Low-Income Limit for a family of three of \$34,500.

The Mings are eligible, however, using the IRS 1040 Form definition of adjusted gross income. Using the IRS definition, which allows for the subtraction of alimony paid, the Mings have an income of \$ 32,880. This is below the Low-Income Limit for a family of three of \$34,500.

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.19 – Calculating Annual Income Using the Three Allowable Definitions – Example**

Family Members	Position in Family	Age	Income Sources
Samantha Johnson	Head	36	Samantha earns a salary of \$30,000 per year as an administrative assistant. Samantha receives \$500 per month as child support for her sons Eric and Andrew.
Barbara Johnson	Mother	66	Barbara receives a pension check of \$200 per month and Social Security of \$600 per month.
Eric Johnson	Son	12	None
Andrew Johnson	Son	14	None

**Their Assets**

- Samantha has a savings account with a \$2,500 balance. The annual interest rate is 3.5%.
- Barbara's sister Helen recently passed away and left her home to Barbara. The home is valued at \$50,000 and has a mortgage balance of \$8,000. The average cost of settlement and real estate transfers equals 8% of the value of the property.

**Additional Information**

- Barbara does not plan to sell the house she inherited in the near future because she wants to allow her other sister Martha and her husband to live in the home (rent-free).

Under the HOME Program, the Income Limit for a family of four in the jurisdiction is \$45,000. Is the Johnson family eligible for HOME assistance under each of three definitions of income?

**Sample Format for Computing Part 5 Annual Income**

1. Name: <b>Samantha Johnson</b>		2. Identification			
<b>ASSETS</b>					
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets		
Samantha	Savings Account	\$2,500	\$88		
Barbara	House	\$38,000	\$0		
3. Net Cash Value of Assets.....		3. \$40,500			
4. Total Actual Income from Assets.....			4.	\$88	
5. If line 3 is greater than \$5,000, multiply line by .02 (Passbook Rate) and enter results here; otherwise, leave blank.			5.	\$810	
<b>ANTICIPATED ANNUAL INCOME</b>					
Family Members	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Samantha	\$30,000			\$6,000	Enter the greater of lines 4 or 5 from above in e.
Barbara		\$9,600			
6. Totals	a. \$30,000	b. \$9,600	c.	d. \$6,000	e. \$810
7. Enter total of items from 6a. through 6e. This is Annual Income .....					7. \$46,410

**Chapter Three – Calculating Annual (Gross) Income**

**Sample Format for Computing Census Long Form Annual Income**

Name: <b>Samantha Johnson</b>			Identification No.:			
<b>ANTICIPATED ANNUAL INCOME</b>						
Family Member	a. Wages/ Salaries	b. Business Income	c. Interest/ Dividends	d. Benefits/ Pensions	e. Public Assistance	f. Other Income
Samantha	\$30,000		\$88			\$6,000
Barbara				\$9,600		
1. Totals	a. \$30,000	b.	c. \$88	d. \$9,600	e.	f. \$6,000
2. Enter total of items from 1a. through 1f. This is <i>Annual Income</i> .....						2. \$45,688

**Chapter Three – Calculating Annual (Gross) Income**

**Sample Format for Computing IRS 1040 Series Adjusted Gross Income**

Name: <b>Samantha Johnson</b>		Identification No.:			
	Family Member				Subtotal (add a-d)
	a. <b>Samantha</b>	b. <b>Barbara</b>	c.	d.	
1. Wages, salaries, tips	\$30,000				\$30,000
2. Taxable interest	\$88				\$88
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)					
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities		\$2,400			\$2,400
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits		\$7,200			\$7,200
15. Other income					
<b>16. Subtotal (lines 1-15)</b>					\$39,688
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self- employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self- employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony					
<b>25. Subtotal (lines 17-24)</b>					\$0
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i> .....					\$39,688

**Chapter Three – Calculating Annual (Gross) Income**

**Exhibit 3.19 – Calculating Annual Income Using the Three Allowable Definitions – Example**

<b>Section 8 Annual Income</b>	
1. Gross amount of wages, salaries, overtime pay, commissions, fees, tips and bonuses.	\$30,000
2. Net income from operation of a business or profession.	
3. Interest, dividends, and other net income from real or personal property. Requires asset calculation.	810
4. Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits.	9,600
5. Payments in lieu of earnings (unemployment, disability compensation, worker's compensation and severance pay).	
6. Welfare or other need based payments to families or individuals.	
7. Periodic and determinable allowances (alimony, child support payments, regular contributions or gifts).	6,000
8. Regular pay, special pay and allowances of a member of the Armed Forces.	
<b>Total</b>	<b>\$46,410</b>
<b>Census Long Form Annual Income</b>	
1. Gross amount of wages, salaries, commissions, bonuses or tips from all jobs.	\$30,000
2. Net income from self-employment from non-farm business, including proprietorship and partnership.	
3. Net income from farm self-employment, including earnings as sharecropper or tenant farmer.	
4. Interest, dividends, net rental income, royalty income or income from estates or trusts.	88
5. Social security or railroad retirement.	7,200
6. Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF) or other public assistance or public welfare payments.	
7. Retirement, survivor or disability pensions.	2,400
8. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, child support or alimony.	6,000
<b>Total</b>	<b>\$45,688</b>
<b>IRS 1040 Adjusted Gross Income</b>	
1. Wages, salaries, tips, etc.	\$30,000
2. Taxable interest.	88
3. Dividend income.	
4. Taxable refunds, credits, or offsets of state and local income taxes.	
5. Alimony received.	
6. Business income (or loss).	
7. Capital gain (or loss).	
8. Other gains (or losses)	
9. Taxable amount of individual retirement account (IRA) distributions.	2,400
10. Taxable amount of pensions and annuities.	
11. Rental real estate, royalties, partnerships, S corporations, trust, etc.	
12. Farm income (or loss).	
13. Unemployment compensation.	
14. Taxable amount of Social Security benefits.	7,200
15. Other income.	
<b>Subtotal A (Add 1–15)</b>	<b>\$39,688</b>

**Chapter Three – Calculating Annual (Gross) Income**

<b>IRS 1040 Adjusted Gross Income</b>	
<b>Subtractions</b>	
16. IRA deduction (head of household and spouse).	
17. Medical savings account deduction.	
18. Moving expenses.	
19. One-half of self-employment tax.	
20. Self-employed health insurance deduction.	
21. Keogh and self-employed SEP and SIMPLE plans.	
22. Penalty on early withdrawal of savings.	
23. Paid alimony.	
<i>Subtotal B (Add 16 – 23)</i>	0
<b>Subtract subtotal B from subtotal A. This is the Total:</b>	<b>\$39,688</b>

**Explanation**

The Johnson family is not eligible for HOME assistance using the Part 5 definition of income. Using this definition, the Johnson's income is \$46,410, above the Low-Income Limit for a family of four of \$45,000.

Using the Census Long Form definitions of annual income, the Johnson's are also not eligible. Under this definition, the Johnson's income is \$46,688, over the Low-Income Limit of \$45,000.

The Johnson family is eligible using the IRS 1040 Form definition of adjusted gross income. Using the IRS definition, which does not include child support as income, the Johnson family has an income of \$39,688. This is below the Low-Income Limit of \$45,000.



## Chapter Four

### Calculating Adjusted Income

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.

Adjusted income is not needed for HOME-funded owner-occupied rehabilitation or homebuyer programs.

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.*

This chapter describes how to calculate and document adjusted income.

#### 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. Exhibit 4.1 summarizes these deductions by household type.

**Exhibit 4.1 Allowable Deductions**

Type of Deduction Permitted	Type of Household	
	Elderly or Disabled	Non-Elderly or Non-Disabled
Elderly or disabled household	•	
Dependent	•	•
Child care	•	•
Medical expenses	•	
Disability assistance expenses	•	•

In order to determine which deductions a family is eligible for, PJs must determine what type of household it represents.

#### Types of Households

As noted in Exhibit 4.1, a household's eligibility for adjustments to annual income depends in part on whether the household qualifies as an "elderly" household, a "disabled" household, or a "family" (non-elderly) household.

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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.

Each of the following are considered elderly households:

- Alice Smith (65 years of age) and her husband Joe (60);
- Juan Azul (69) and Rosa Ramirez (63) who live together;
- Jane Green (92); and
- Thomas Miller (74) and his live-in aide.

A disabled household is one in which the head, spouse, or sole member is a person with disabilities. Two or more persons with disabilities living together and one or more persons with disabilities living with one or more live-in aides also qualify as disabled households.

The following are considered disabled households:

- Carlos Blanco (25 and disabled);
- Fred Jones (42) and his wife Suzanne (41 and disabled); and
- Daniel Jackson (35 and disabled) and his housemate Charlie Andrews (38 and disabled) and their live-in aide.

Certain households may, however, include elderly or disabled family members and still not qualify as an elderly or disabled household. For example, neither of the following households qualify as an elderly or disabled household:

- Bob and Carol Jackson (50 and 49, respectively) who have taken in Bob's mother (age 70) to live with them. Because Bob's mother is not the household head or spouse, this is not an elderly household; and
- Ted and Alexis Cooper (both age 35) have a son (age 14) who is disabled. Because the son is not the household

head or spouse, this household is not a disabled household.

Some household compositions will require clarification as to whether they are elderly or disabled households. Compare the following examples:

- Don and Alice Brown (45 and 46, respectively) have recently taken Don's mother (75) into their home because her apartment building is being converted to condominiums. In this situation, Don and Alice are the head of household and spouse, so the household is not an elderly household; but
- Rita Smith (75) has recently taken in her son Don and his wife Alice (45 and 46, respectively) into her home because their apartment building is being converted to condominiums. In this situation, Rita is the head of the household, so the household is an elderly household.

In cases such as these, PJs must clarify the family type with the family before making a judgement about the type of household.

Exhibit 3.1 of Chapter Three identified persons whose incomes are not counted in the Part 5 definition of annual income. For the purposes of adjusting income, these same persons are not considered family members—even if they live in the same household—and cannot qualify a family for deductions or allowances. These include live-in aides, children of live-in aides, and foster children.

For example, if a live-in aide must pay \$50 per week for child care in order to work for a family, the family itself cannot consider this child care cost when determining whether it is eligible for a child care deduction because the live-in aide is not considered a family member. (See the discussion on child care, below.)

### **Elderly or Disabled Household Deduction**

A household that meets the definition of an elderly or disabled household is entitled to a

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deduction of \$400 *per household*. It is essential to understand the distinction between elderly/disabled households and non-elderly/non-disabled households in order to apply the allowances correctly. Complete the following chart to assess your understanding of these issues.

Which of the following households qualify for an elderly or disabled household deduction of \$400? (Note: the age of the family member is shown in parentheses.)

Household Characteristics	Yes	No
1. Head (59), spouse (63)		
2. Head (40), disabled spouse (39)		
3. Head (59), disabled son (16)		
4. Head (59), disabled son (32)		
5. Head (40), father (63)		
6. Disabled head of household (51)		

The answers can be found in Exhibit 4.2 at the end of this chapter.

**Dependent Deduction**

When calculating adjusted income, PJs must deduct \$480 from annual income for *each* household dependent. HUD’s definition of dependent is different from the Internal Revenue Service (IRS) definition. HUD defines as dependent any household member who is not the head, co-head, or spouse, but is:

- Under the age of 18 years; or
- Disabled (of any age); or
- A full-time student (of any age).

The household member must qualify for the deduction at the time the income certification is made. For example, a household member is 17 years of age at the time, but will turn 18 six months later. Because the member is dependent at the time of certification, the family receives the \$480 deduction. The PJ is not required to recertify the family six months later when the member turns 18. When the household’s income is recertified the

following year, however, the family loses the \$480 deduction (unless the 18-year-old family member is a full-time student).

A household may request a re-examination of income if its status changes (e.g., the family has a baby or adopts a child), and it now qualifies for more deductions.

**Child Care Expenses Deduction**

Reasonable child care expenses for the care of a child age 12 or under may be deducted from annual income if the child care (1) enables an adult family member to seek employment actively, be gainfully employed, or further his/her education; and (2) expenses are not reimbursed. The child care expenses must be reasonable.

To document that the anticipated child care expenses can be deducted, the household must:

- Identify the child(ren) who will be cared for;
- Identify the family member who is enabled to work, look for work, or go to school because of the child care;
- Demonstrate that no other adult household member is available to care for the child;
- Identify the child care provider; and
- Provide documentation of costs.

If a deduction for child care expenses is requested, the allowable expenses cannot exceed the income generated by that household member during the period the care is provided. The PJ should look at the family’s actual circumstances to determine which family member is enabled to work. In general, the person with the lowest income (i.e., the person who would quit work to take care of the children if no child care were available) is considered the family member enabled to work.

If a deduction for child care expenses is requested to enable a family member to seek work, the family must provide evidence that the household member is looking for work.

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If a deduction for child care expenses is requested to enable a family member to go to school, the household must provide documentation that the household member is enrolled in a vocational program or degree-granting institution. The household member need not be a full-time student.

**Medical Expenses Deduction**

Elderly or disabled households (as defined previously) that have no disability assistance expenses (see below) may claim as a deduction medical expenses that are in excess of three percent of annual income. Medical expenses that may be considered include all medical expenses anticipated to be incurred during the coming year that are not covered by insurance. Medical expenses can include such items as:

- Services of a physician or other health care professional;
- Services of a hospital or other health care facility;
- Medical insurance premiums;
- Prescription and nonprescription medicines;
- Dental expenses;
- Eyeglasses and eye examinations;
- Medical or health products or apparatus (e.g., hearing aids or batteries);
- Live-in or periodic medical care assistance (e.g., visiting nurses or care attendants); and
- Periodic payments on accumulated medical bills.

The medical expenses allowance is the amount by which total medical expenses exceed three percent of annual income. For example, the Smith family has anticipated annual income of \$25,000 and anticipated medical expenses of \$3,000 (not covered by insurance). The calculation for the medical expense deduction would be:

Total medical expenses	\$3,000
Less 3% of annual income	<u>750</u>
Allowable medical expenses	\$2,250

One of the most challenging aspects of determining allowable medical expenses is “anticipating” a household’s medical expenses for the coming year. Some anticipated expenses can be documented (such as Medicare and other medical insurance premiums, the cost of ongoing prescriptions, and payment agreements for accumulated medical bills). Whenever possible, the PJ should request such documentation.

Using the previous year’s medical expenses is not always appropriate. The family may have had medical expenses last year that will not be repeated this year (e.g., major surgery) or the family may have new medical problems that were not reflected in last year’s costs (e.g., a family member has recently been diagnosed with a medical disorder). Even so, the experience from the previous year can provide a useful basis for anticipating future expenses. PJs can use last year’s history to help the family to anticipate costs, particularly in a household where a family member has regular medical or prescription needs. For example, if all household members went to the dentist twice during the previous year, it is appropriate to assume they will do so in the coming year. For “general” medical expenses (e.g., prescription and nonprescription medicines) using the previous year’s expenses is acceptable unless the family can provide documentation that higher expenses can be anticipated.

Allowable medical expenses are established at the time of income certification. Under a HOME-funded TBRA program, the household may request a re-examination of medical expenses if a major illness or emergency would significantly affect the anticipated amount.

Although medical expenses are permitted only for elderly or disabled households, once a household qualifies as an elderly or disabled household, the medical expenses of all household members are considered. For example, if a household includes the

**Chapter Four – Calculating Adjusted Income**

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head (grandmother, age 65), her daughter (age 35) and her granddaughter (age 12), the medical expenses of all three family members would be considered.

**HUD Notice PIH-2004-11**

HUD issued Notice PIH-2004-11, "Income Calculation Regarding Medicare Prescription Drug Cards and Transitional Assistance," on July 15, 2004. While the Notice addresses the calculation of annual household income under certain HUD programs, including certain Section 8 activities, the Notice and the Medicare Prescription Drug Card program **do not affect** the calculation of annual income under the Part 5 definition, and thus does not affect the calculation of annual or adjusted income for the purposes of HOME eligibility. The Medicare Modernization Act authorizing this benefit amended the Social Security Act to require that benefits provided under this program "not be treated as benefits or otherwise taken into account in determining an individual's eligibility for, or amount of benefits under, any other Federal program." Benefits provided under the Medicare Prescription Drug Benefit program must be excluded from the calculation of annual income of tenants residing in HUD's public housing and assisted housing program units.

**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. The purpose of this deduction is to recognize expenses for the care of a disabled person that enable the disabled person or some other family member to work. Disability assistance expenses may include the cost of a care attendant and/or auxiliary apparatus that enables a household member, including the disabled member, to work. Consider the following examples:

- Jane and John Doe have a disabled 17-year-old son (John, Jr.). If a care

attendant takes care of John, Jr., Jane can go to work. The cost of the care attendant would be an eligible disability assistance expense.

- Samuel Brown, age 35, uses a wheelchair. The wheelchair and a specially adapted automobile enable John to go to work. The cost of his wheelchair and the adaptations to his automobile are eligible disability assistance expenses.

Expenses can be considered only if they enable a household member to work. Consider the following example:

- Samuel Brown, age 35, uses a wheelchair and a specially adapted automobile. His income comes from a disability pension. The costs of the wheelchair and the adaptations to the automobile are not eligible disability assistance expenses because no family member is enabled to work. Samuel's disability does, however, qualify him as a disabled head of household. Thus, he is entitled to medical expenses. The wheelchair (but not the adaptations to the automobile) could qualify as a medical expense.

Expenses may be deducted only if: (1) they are reasonable; (2) they are not reimbursed from another source, such as insurance; (3) they do not exceed the amount of income generated by the person enabled to work; and (4) they are in excess of three percent of annual income.

**When Both Medical and Disability Assistance Expenses Apply**

As noted above, both medical expenses and disability assistance expenses are limited to those in excess of three percent of annual income. For families who qualify for both types of expenses, the allowable amount is the amount by which the *combined* expenses exceed three percent of annual income. Because disability assistance expenses are also capped by the amount of income earned, a special calculation is required.

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The PJ first calculates the allowable disability assistance expenses and then adds to that the allowable medical expenses. The form in Exhibit 4.3 is designed to help perform this calculation.

**Sample Format for Calculating Adjusted Income**

As for annual income, any information used to determine the household's eligibility for participation in the program or the amount of a deduction or allowance must be documented in a way that allows HUD to monitor the PJ's determination. Exhibit 4.3 provides a sample format for calculating adjusted income. Exhibits 4.4 through 4.6 provide examples and exercises on calculating adjusted income.

**Exhibit 4.2 – Answers to Exercise on page 55**

Which of the following households qualify for an elderly or disabled household deduction of \$400?

Household Characteristics	Yes	No
1. Head (59), spouse (63)	•	
2. Head (40), disabled spouse (39)	•	
3. Head (59), disabled son (16)		•
4. Head (59), disabled son (32)	Maybe; the head and son could be living as co-heads, in which case the household would be a disabled household.	
5. Head (40), father (63)	Maybe; the head and father could be living as co-heads, in which case the household would be an elderly household. If the father were the head of household, the household would be an elderly household.	
6. Disabled head of household (51)	•	

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.3 – Sample Format for Calculating Part 5 Adjusted Income**

1. Enter Annual Income.	1.
2. Enter the number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2.
3. Multiply line 2 by \$480.	3.
4. If a family member is enabled to work or further their education as a result of child care expenses, enter the <u>unreimbursed</u> annual child care expenses (reasonable child care expenses for children age 12 and under).	4.
5. If the family member was enabled to <u>work</u> as a result of the child care expenses, enter that family member's annual <u>employment income</u> .	5.
6. If an amount is reported in Line 5, enter the lesser of Lines 4 or 5. Otherwise, enter the amount in Line 4.	6.
7. If the household qualifies as an elderly and/or disabled household, enter \$400.	7.
8. Add Lines 3, 6, and 7.	8.
9. <i>If this household has no unreimbursed disability assistance or medical expenses, subtract Line 8 from Line 1. This is <b>Adjusted Income</b> for this household <i>without</i> these expenses.</i>	9.

\*\*\*\*\* **FILL IN LINES 10 THROUGH 20 IF THE FAMILY HAS UNREIMBURSED DISABILITY ASSISTANCE OR MEDICAL EXPENSES** \*\*\*\*\*

10. Enter <u>unreimbursed</u> annual disability assistance expenses.	10.
11. Enter the annual <u>earned income</u> of the family member enabled to work as a result of unreimbursed disability assistance expenses.	11.
12. Enter the lesser of Lines 10 or 11.	12.
13. Enter <u>unreimbursed</u> annual medical expenses.	13.
14. Add Lines 12 and 13.	14.
15. Multiply Line 11 by 0.03.	15.
16. Subtract Line 15 from Line 12. If negative, enter 0.	16.
17. Subtract Line 15 from Line 13. If negative, enter 0.	17.
18. Subtract Line 15 from Line 14. If negative, enter 0.	18.
19a. If the household reported <u>only</u> unreimbursed disability expenses but <u>no</u> unreimbursed medical expenses, add Lines 8 and 16.	19a.
19b. If the household reported <u>only</u> unreimbursed medical expenses but <u>no</u> unreimbursed disability expenses, add Lines 8 and 17.	19b.
19c. If the household reported <u>both</u> unreimbursed disability expenses <u>and</u> unreimbursed medical expenses, add Lines 8 and 18.	19c.
20. Subtract either Line 19a, 19b, or 19c from Line 1. This is <b>Adjusted Income</b> for this household <i>with</i> these expenses.	20.

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.4 – Calculating Part 5 Adjusted Income – Example**

Family Member	Position in Family	Age	Income	Expenses
Pearl Henderson	Head	76	\$13,500	Prescription medication – \$75/month; Medicare deduction – \$38.50/month
Marshall Jones	Grandson	19	No income; full-time student	Visits to physician – \$120/year

1. Enter Annual Income.
2. Enter the number of family members (excluding head or spouse) under 18, disabled, or full-time students.
3. Multiply line 2 by \$480. This is the dependent deduction.
4. If a family member is enabled to work or further their education as a result of child care expenses, enter the unreimbursed annual child care expenses (reasonable child care expenses for children age 12 and under).
5. If the family member was enabled to work as a result of the child care expenses, enter that family member's annual employment income.
6. If an amount is reported in Line 5, enter the lesser of Lines 4 or 5. Otherwise, enter the amount in Line 4.
7. If the household qualifies as an elderly and/or disabled household, enter \$400. This is the elderly/disabled household deduction. Otherwise, enter 0.
8. Add Lines 3, 6, and 7.
9. *If the household has no unreimbursed disability assistance or medical expenses*, subtract Line 8 from Line 1. This is **Adjusted Income** for a household *without* these expenses. Otherwise, proceed to line 10.

	1. \$13,500
2. 1	
	3. \$480
4. N/A	
5. N/A	
	6. \$0.00
	7. \$400
8. \$880	
	9.

\*\*\*\*\* **FILL IN LINES 10 THROUGH 20 IF THE FAMILY HAS UNREIMBURSED DISABILITY ASSISTANCE OR MEDICAL EXPENSES** \*\*\*\*\*

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.4 (continued)**

10. Enter <u>unreimbursed</u> annual disability assistance expenses.	10. N/A	
11. Enter the annual <u>earned income</u> of the family member enabled to work as a result of unreimbursed disability assistance expenses.	11. N/A	
12. Enter the lesser of Lines 10 or 11.	12. N/A	
13. Enter <u>unreimbursed</u> annual medical expenses.	13. \$1,482	
14. Add Lines 12 and 13.	14. \$1,482	
15. Multiply Line 1 by 0.03.	15. \$405	
16. Subtract Line 15 from Line 12. If negative, enter 0.		16. \$0.00
17. Subtract Line 15 from Line 13. If negative, enter 0.		17. \$1,077
18. Subtract Line 15 from Line 14. If negative, enter 0.		18. \$1,077
19a. If the household reported <u>only</u> unreimbursed disability expenses but <u>no</u> unreimbursed medical expenses, add Lines 8 and 16.	19a. 0	
19b. If the household reported <u>only</u> unreimbursed medical expenses but <u>no</u> unreimbursed disability expenses, add Lines 8 and 17.	19b. \$1,957	
19c. If the household reported <u>both</u> unreimbursed disability expenses <u>and</u> unreimbursed medical expenses, add Lines 8 and 18.	19c. 0	
20. Subtract either Line 19a, 19b, or 19c from Line 1. This is <b>Adjusted Income</b> for this household <i>with</i> these expenses.		20. \$11,543

**Explanation**

- Line 2            Marshall is a full-time student, so the household qualifies for one \$480 deduction.
- Line 4            There are no children under age 12.
- Lines 5-9        The household qualifies as an elderly household and does have annual unreimbursed medical expenses.
- Lines 10-14     The household does not have any annual unreimbursed disability assistance expenses (Lines 10-12), but does have annual unreimbursed medical expenses  $[(\$75/\text{month} \times 12 \text{ months/year}) + (\$38.50/\text{month} \times 12 \text{ months/year}) + (\$120/\text{year}) = \$1,482]$ . This amount is entered in Line 13.
- Line 15          The household can only deduct those unreimbursed medical and disability assistance expenses that exceed 3 percent of annual household income.
- Lines 16-18      The household deducts 3 percent of its annual income from the total amount of annual unreimbursed medical expenses (Line 17).
- Lines 19a-19c    The household adds its medical expenses deduction (Line 17) to the other deductions (dependent deduction, elderly household deduction) that are summed in Line 8, and enters this total in Line 19b (households reporting medical expenses, but no disability assistance expenses).
- Line 20          The amount entered in Line 19b (\$1,957) is subtracted from the household's annual income figure in Line 1 (\$13,500), giving it an adjusted income of \$11,543.

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.5 – Calculating Part 5 Adjusted Income – Example**

Family Member	Position in Family	Age	Income	Expenses
Clark Griswald	Head	40	\$27,900	Prescription medication – \$75/month
Rusty Griswald	Son	13	No income	Child care – \$50/week
Audrey Griswald	Daughter	11	No income	Child care – \$50/week

1. Enter Annual Income.		1. \$27,900
2. Enter the number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2. 2	
3. Multiply line 2 by \$480. This is the dependent deduction.		3. \$960
4. If a family member is enabled to work or further their education as a result of child care expenses, enter the <u>unreimbursed</u> annual child care expenses (reasonable child care expenses for children age 12 and under).	4. \$2,600	
5. If the family member was enabled to <u>work</u> as a result of the child care expenses, enter that family member's annual <u>employment income</u> .	5. \$27,900	
6. If an amount is reported in Line 5, enter the lesser of Lines 4 or 5. Otherwise, enter the amount in Line 4.		6. \$2,600
7. If the household qualifies as an elderly and/or disabled household, enter \$400. This is the elderly/disabled household deduction. Otherwise, enter 0.		7. 0
8. Add Lines 3, 6, and 7.	8. \$3,560	
9. <i>If the household has no unreimbursed disability assistance or medical expenses, subtract Line 8 from Line 1. This is <b>Adjusted Income</b> for a household without these expenses. Otherwise, proceed to line 10.</i>		9. \$24,340

\*\*\*\*\* **FILL IN LINES 10 THROUGH 20 IF THE FAMILY HAS UNREIMBURSED DISABILITY ASSISTANCE OR MEDICAL EXPENSES** \*\*\*\*\*

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.5 (continued)**

10. Enter <u>unreimbursed</u> annual disability assistance expenses.	10. N/A	
11. Enter the annual <u>earned income</u> of the family member enabled to work as a result of unreimbursed disability assistance expenses.	11. N/A	
12. Enter the lesser of Lines 10 or 11.	12. N/A	
13. Enter <u>unreimbursed</u> annual medical expenses.	13. N/A	
14. Add Lines 12 and 13.	14. N/A	
15. Multiply Line 1 by 0.03.	15. N/A	
16. Subtract Line 15 from Line 12. If negative, enter 0.		16. N/A
17. Subtract Line 15 from Line 13. If negative, enter 0.		17. N/A
18. Subtract Line 15 from Line 14. If negative, enter 0.		18. N/A
19a. If the household reported <u>only</u> unreimbursed disability expenses but <u>no</u> unreimbursed medical expenses, add Lines 8 and 16.	19a. N/A	
19b. If the household reported <u>only</u> unreimbursed medical expenses but <u>no</u> unreimbursed disability expenses, add Lines 8 and 17.	19b. N/A	
19c. If the household reported <u>both</u> unreimbursed disability expenses <u>and</u> unreimbursed medical expenses, add Lines 8 and 18.	19c. N/A	
20. Subtract either Line 19a, 19b, or 19c from Line 1. This is <b>Adjusted Income</b> for this household <i>with</i> these expenses.		20. N/A

**Explanation**

- Line 2            There are two children in the family under the age of 18.
- Lines 4-6        Although the family has child care expenses for both children, only Audrey's expenses are eligible for the child care deduction because only she is under the age of 12. Audrey's child care expenses are less than Clark's annual income, and are reported as the household's child care expense deduction (Line 6).
- Line 7            The household does not qualify for either the elderly or disabled household deduction of \$400.
- Lines 8-9        The household's eligible deductions are subtracted from Clark's annual income. This is the household's adjusted income (\$24,340).
- Lines 10-20     There are no further calculations or adjustments to be made to the Griswald's annual income.

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.6 – Calculating Part 5 Adjusted Income – Exercise**

Instructions: Based on the information about the Taylor household below, complete the worksheet to determine its adjusted income figure.

Family Member	Position in Family	Age	Income	Expenses
Jill Taylor	Head	36	\$22,984	Health insurance – \$230/month; Prescription medication – \$75/month for Jill and Randy; Visits to the physician for Randy and Brad – \$370/year.
Tim Taylor	Spouse; full-time student	36	\$3,500; plus \$2,500 from a school loan	
Randy Taylor	Son – disabled	15	None	Attendant care, which frees Tim to work – \$50/week
Brad Taylor	Son	11	None	Child care – \$25/week

- |  |    |
|--|----|
| 1. Enter Annual Income.  | 1. |
| 2. Enter the number of family members (excluding head or spouse) under 18, disabled, or full-time students.  | 2. |
| 3. Multiply line 2 by \$480. This is the dependent deduction.  | 3. |
| 4. If a family member is enabled to work or further their education as a result of child care expenses, enter the <u>unreimbursed</u> annual child care expenses (reasonable child care expenses for children age 12 and under). | 4. |
| 5. If the family member was enabled to <u>work</u> as a result of the child care expenses, enter that family member's annual <u>employment income</u> .  | 5. |
| 6. If an amount is reported in Line 5, enter the lesser of Lines 4 or 5. Otherwise, enter the amount in Line 4.  | 6. |
| 7. If the household qualifies as an elderly and/or disabled household, enter \$400. This is the elderly/disabled household deduction. Otherwise, enter 0.  | 7. |
| 8. Add Lines 3, 6, and 7.  | 8. |
| 9. <i>If the household has no unreimbursed disability assistance or medical expenses, subtract Line 8 from Line 1. This is <b>Adjusted Income</b> for a household without these expenses. Otherwise, proceed to line 10.</i>     | 9. |

\*\*\*\*\* **FILL IN LINES 10 THROUGH 20 IF THE FAMILY HAS UNREIMBURSED DISABILITY ASSISTANCE OR MEDICAL EXPENSES** \*\*\*\*\*

**Chapter Four – Calculating Adjusted Income**

**Exhibit 4.6 (continued)**

10. Enter <u>unreimbursed</u> annual disability assistance expenses.	10.	
11. Enter the annual <u>earned income</u> of the family member enabled to work as a result of unreimbursed disability assistance expenses.	11.	
12. Enter the lesser of Lines 10 or 11.	12.	
13. Enter <u>unreimbursed</u> annual medical expenses.	13.	
14. Add Lines 12 and 13.	14.	
15. Multiply Line 1 by 0.03.	15.	
16. Subtract Line 15 from Line 12. If negative, enter 0.		16.
17. Subtract Line 15 from Line 13. If negative, enter 0.		17.
18. Subtract Line 15 from Line 14. If negative, enter 0.		18.
19a. If the household reported <u>only</u> unreimbursed disability expenses but <u>no</u> unreimbursed medical expenses, add Lines 8 and 16.	19a	
19b. If the household reported <u>only</u> unreimbursed medical expenses but <u>no</u> unreimbursed disability expenses, add Lines 8 and 17.	19b.	
19c. If the household reported <u>both</u> unreimbursed disability expenses <u>and</u> unreimbursed medical expenses, add Lines 8 and 18.	19c.	
20. Subtract either Line 19a, 19b, or 19c from Line 1. This is <b>Adjusted Income</b> for this household <i>with</i> these expenses.		20.

**Chapter Four – Calculating Adjusted Income**

**ANSWERS**

1. Enter Annual Income.	1. \$26,484
2. Enter the number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2. 2
3. Multiply line 2 by \$480. This is the dependent deduction.	3. \$960
4. If a family member is enabled to work or further their education as a result of child care expenses, enter the <u>unreimbursed</u> annual child care expenses (reasonable child care expenses for children age 12 and under).	4. \$1,300
5. If the family member was enabled to <u>work</u> as a result of the child care expenses, enter that family member's annual <u>employment income</u> .	5. \$3,500
6. If an amount is reported in Line 5, enter the lesser of Lines 4 or 5. Otherwise, enter the amount in Line 4.	6. \$1,300
7. If the household qualifies as an elderly and/or disabled household, enter \$400. This is the elderly/disabled household deduction. Otherwise, enter 0.	7. 0
8. Add Lines 3, 6, and 7.	8. \$2,260
9. <i>If the household has no unreimbursed disability assistance or medical expenses, subtract Line 8 from Line 1. This is <b>Adjusted Income</b> for a household <i>without</i> these expenses. Otherwise, proceed to Line 10.</i>	9.

\*\*\*\*\* **FILL IN LINES 10 THROUGH 20 IF THE FAMILY HAS UNREIMBURSED DISABILITY ASSISTANCE OR MEDICAL EXPENSES** \*\*\*\*\*

10. Enter <u>unreimbursed</u> annual disability assistance expenses.	10. \$2,600
11. Enter the annual <u>earned income</u> of the family member enabled to work as a result of unreimbursed disability assistance expenses.	11. \$3,500
12. Enter the lesser of Lines 10 or 11.	12. \$2,600
13. Enter <u>unreimbursed</u> annual medical expenses.	13. N/A
14. Add Lines 12 and 13.	14. \$2,600
15. Multiply Line 1 by 0.03.	15. \$795
16. Subtract Line 15 from Line 12. If negative, enter 0.	16. \$1,805
17. Subtract Line 15 from Line 13. If negative, enter 0.	17. 0
18. Subtract Line 15 from Line 14. If negative, enter 0.	18. \$1,805
19a. If the household reported <u>only</u> unreimbursed disability expenses but <u>no</u> unreimbursed medical expenses, add Lines 8 and 16.	19a. \$4,065
19b. If the household reported <u>only</u> unreimbursed medical expenses but <u>no</u> unreimbursed disability expenses, add Lines 8 and 17.	19b. 0
19c. If the household reported <u>both</u> unreimbursed disability expenses <u>and</u> unreimbursed medical expenses, add Lines 8 and 18.	19c. 0
20. Subtract either Line 19a, 19b, or 19c from Line 1. This is <b>Adjusted Income</b> for this household <i>with</i> these expenses.	20. \$22,419

**Chapter Four – Calculating Adjusted Income**

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**Explanation**

- Line 1            Include Jill's annual income of \$22,984 plus Tim's income of \$3,500. Do not include Tim's student loan of \$2,500.
- Line 2            There are two children in the family under the age of 18. Although Tim is a full-time student, he is not eligible for a \$480 deduction because he is the head of household or spouse.
- Lines 4-6        Brad is the only child under age 12. Include his child care costs of \$25/week X 52 weeks/year = \$1,300. Brad's child care services allow Tim to work. The lesser of Tim's annual earned income and Brad's child care expenses is \$1,300. This is the household's child care deduction.
- Line 7            Although Randy is disabled, this does not qualify the household as "disabled" under the Part 5 definition. The Taylors do not qualify for the \$400 deduction for disabled and/or elderly households.
- Lines 10-12     The attendant care for Randy allows Tim to work and go to school. Randy's attendant expenses (\$1,300) are less than Tim's annual income (\$3,500), and are entered as the amount of unreimbursed annual disability services costs.
- Line 13.         The Taylor household does not qualify as an elderly or disabled household, therefore none of Jill's medical expenses exceeding 3 percent of household income can be deducted.
- Lines 15-16     Three percent of the household's annual income is \$795. This amount is subtracted from the annual cost of Randy's disability assistance, and entered as the household's disability deduction.
- Line 19a         The Taylor household's combined dependent, child care and disability assistance deductions sum to \$4,065.
- Line 20          The figure from Line 19a (\$4,065) is subtracted from Line 1 to determine the household's adjusted income (\$22,419).



## Chapter Five

### Calculating Assistance Amounts

This chapter describes how HOME Program definitions of income (found at 24 CFR Part 92.203) are used to calculate tenant payments and PJ subsidies under a HOME-funded tenant based rental assistance (TBRA) program and to comply with anti-displacement and tenant assistance requirements under the Uniform Relocation Act (URA) and Section 104(d) relocation requirements.

Detailed guidance on HOME TBRA programs is provided in a companion guide, *Tenant Based Rental Assistance: A HOME Program Model*. This model program guide is available online at the HOME Program Model Program Guide website at <http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/index.cfm>.

In summary, the PJ must establish a rent standard for each unit size (by number of bedrooms) that is: (1) not greater than the HUD-published Existing Housing Fair Market Rent (FMR) or the HUD-approved Area Exception Rent; or (2) determined locally based on local market conditions.

#### Tenant and PJ Payments for HOME TBRA Programs

Under the HOME regulations pertaining to TBRA, PJs have some discretion in the amount of rental subsidy they provide to, or on behalf of, a tenant. The subsidy can be no greater than the difference between a PJ-established payment standard and 30 percent of the household's adjusted monthly income. The PJ must also establish a minimum tenant contribution.

PJs can use either the Section 8 Rental Certificate or Rental Voucher Program as a model to determine the PJ subsidy, or they can establish their own methodology, in conformance with regulatory requirements.

#### Rental Certificate Model

A PJ that chooses to use the Rental Certificate Program as a model assumes a fixed tenant payment—the tenant's share of housing costs (Total Tenant Payment [TTP]) is calculated by formula. The public housing agency (PHA) then pays the difference between the tenant's share and the approved rent for the unit.

The formula for computing TTP under the Certificate Program requires a tenant to pay the greatest of:

- 30 percent of its household's monthly adjusted income;
- 10 percent of its household's monthly annual (gross) income; or
- Welfare rent (applies only to welfare recipients in as-paid localities).

Exhibit 5.1 demonstrates this method.

#### Rental Voucher Model

The Rental Voucher Program assumes a fixed PHA payment—the maximum PHA subsidy is calculated and the tenant pays the difference between the PHA subsidy and the approved rent for the unit.

Using the Rental Voucher method, the PJ first establishes rent standards by unit size for the program as a whole. Details on establishing the payment standard are provided in the TBRA model program guide, *Tenant-Based Rental Assistance: A HOME Program Model*. The PJ generally pays the difference between its rent standard and 30 percent of the tenant's monthly adjusted income. A minimum tenant payment of 10 percent of monthly annual (gross) income is required, however. Exhibit 5.2 demonstrates this method.

**Chapter Five – Calculating Assistance Amounts**

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**Income Calculations for Antidisplacement Activities**

A household that must move because it can no longer afford housing costs after completion of a Federally-funded activity is considered displaced. For instance, displacement might occur if rents are raised after Community Development Block Grant (CDBG) or HOME funds are used to rehabilitate a rental project.

For the CDBG and HOME Programs, to avoid displacement, any increased rents that are the result of the CDBG or HOME activity cannot exceed the following:

- For low-income households (those with incomes at or below 80 percent of the area median, as established by HUD), the household's TTP as calculated for the Certificate Program—the greatest of 30 percent of monthly adjusted income, 10 percent of monthly gross income, or the Welfare rent; or
- For households above the low-income limit, 30 percent of monthly gross income.

**Replacement Housing Payments to Displaced Households**

Among other assistance, displaced renter households are entitled to replacement housing payments. In concept, the replacement housing payments are intended to make up the difference between the family's old base monthly rent and the amount the family *must pay* for housing at its new location. The formula for determining how much the family should receive varies depending on the family's length of occupancy, its income and

whether it is covered by Section 104(d) or the Uniform Relocation Act [URA]. (See HUD Handbook 1378 for a complete discussion of this topic.)

Under the URA (for both low-income households and those above the low-income limit) the household's base monthly rent is the lesser of:

- Rent and utilities the tenant paid at the displacement unit (old residence); or
- 30 percent of monthly gross income  $([\text{annual income} / 12 \text{ months}] \times .30)$ ; or
- Welfare rent (applies only to welfare recipients in as-paid localities).

The PJ must make up the difference between this ability to pay (household's base monthly rent) and the household's actual housing costs at the replacement unit (new residence) or a comparable rent established by the PJ if the new rent is higher than the old. Exhibit 5.3 provides an example of a URA replacement housing payment calculation.

A similar calculation is made under Section 104(d). Ability to pay under Section 104(d) is, however, based on the Section 8 Total Tenant Payment formula—the greatest of 30 percent of monthly adjusted income, 10 percent of gross monthly income, or welfare rent.

**Sample Format for Calculating Total Tenant Payments**

Exhibits 5.4 and 5.5 provide sample formats for calculating TTP using both the Rental Certificate and Rental Voucher models. Examples of these calculations are included in Exhibits 5.6 and 5.7.

**Chapter Five – Calculating Assistance Amounts**

**Exhibit 5.1 – Sample Calculation of Tenant and PJ Payments Using the Rental Certificate Method**

The Cleavers have been issued a 2-bedroom HOME TBRA coupon. Their Part 5 annual and adjusted incomes are \$22,500 and \$18,300, respectively. They find an apartment that rents for \$725 per month, including utilities.

The Cleavers must pay the greater of:		The PJ must pay the difference between the tenant's share and the approved rent.	
30% of monthly adjusted income (\$18,300/12 months) x .30	<b>\$458</b>	Approved rent for the unit:	<b>\$725</b>
Or		Less total tenant payment (TTP)	<b>\$458</b>
10% of monthly gross income (\$22,500/12 months) x .10	<b>\$188</b>	PJ's share of the rent	<b>\$267</b>

**Exhibit 5.2 – Sample Calculation of Tenant and PJ Payments Using the Rental Voucher Method**

The Cleavers have been issued a 2-bedroom HOME TBRA coupon. Their Part 5 annual and adjusted incomes are \$22,500 and \$18,300, respectively. As in Exhibit 5.1, their monthly adjusted income and monthly gross income are \$458 and \$188, respectively. They find an apartment that rents for \$800 per month, including utilities. The PJ's Rent Standard is \$775.

The maximum PJ subsidy is:		The Cleavers' share is:	
Rent standard	<b>\$775</b>	Approved rent	<b>\$800</b>
Less 30% of monthly adjusted income	<b>\$458</b>	Less maximum PJ subsidy	<b>\$317</b>
Maximum PJ subsidy	<b>\$317</b>	Cleaver's payment	<b>\$483</b>

In this example, the Cleavers will pay more than 30% of their adjusted monthly income for housing because they selected a unit that rents for more than the standard. Had the Cleavers found a very inexpensive unit, the requirement that the family pay at least 10% of monthly gross income might apply.

Approved rent	<b>\$500</b>
Less maximum PJ subsidy	<b>\$317</b>
Calculated tenant share	<b>\$183</b>

The Cleavers, however, must pay at least 10% of gross monthly income (((\$22,500/12 months) x .10 = \$188). The PJ's contribution would be reduced by \$5.

**Chapter Five – Calculating Assistance Amounts**

**Exhibit 5.3 – Sample URA Replacement Housing Payment Calculation**

The Simpson family is being displaced from a HOME rental project because their household size is too large for any unit in the project after its rehabilitation. The family's current rent (including utilities) is \$475 per month. The PJ identifies a unit that is suitable to the family's size and otherwise comparable to the unit they will be leaving. The rent for the comparable unit is \$500. The Simpson family elected to move to another unit that rents for \$520. This is not a welfare as-paid jurisdiction. The Simpson's annual income is \$15,000/year.

The replacement payment would be calculated as follows:

1. Determine the family's ability to pay as the lesser of:	
30% of gross monthly income $((\$15,000/12 \text{ months}) \times .30)$	<b>\$ 375</b>
<i>Or</i>	
Family's rent and utilities at displacement unit	<b>\$ 475</b>
2. Determine the new housing costs to be considered as the lesser of:	
PJ-determined comparable unit	<b>\$ 500</b>
Family's rent and utilities at replacement unit	<b>\$ 520</b>
3. Provide the family with the difference between these two amounts for a 42-month period	
New housing costs to be considered	<b>\$ 500</b>
Less family's ability to pay	<b>\$ 375</b>
	<b>\$ 125</b>
Months	<b>x 42</b>
Replacement housing payment	<b>\$5,250</b>

**Chapter Five – Calculating Assistance Amounts**

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**Exhibit 5.4 – Sample Format for Computing Total Tenant Payment and PJ Subsidy -- Rental Voucher Model**

(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

15. Rent Standard	<input type="text" value="15."/>	
16. 30% of Monthly Adjusted Income ((line 14 + 12) x 0.30).	<input type="text" value="16."/>	
17. Maximum Subsidy (line 15 minus line 16).		<input type="text" value="17."/>
18. Rent Charged by Owner. <sup>2</sup>	<input type="text" value="18."/>	
19. Utility Allowance — if any.	<input type="text" value="19."/>	
20. Gross Rent for the Unit (line 18 plus line 19).		<input type="text" value="20."/>
21. Gross Rent minus Maximum Subsidy (line 20 minus line 17).		<input type="text" value="21."/>
22. 10% of Monthly Gross Income (line 1 + 12) x 0.10).	<input type="text" value="22."/>	
23. Total Family Contribution (higher of line 21 or line 22).		<input type="text" value="23."/>
24. Gross Rent minus Family Contribution (line 20 minus line 23).	<input type="text" value="24."/>	
25. Total Voucher Subsidy (lower of line 17 or line 24).		<input type="text" value="25."/>
26. PJ Payment to Owner (lower of line 18 or line 25).		<input type="text" value="26."/>
27. Family Rent to Owner (line 18 minus line 26).		<input type="text" value="27."/>
28. Utility Reimbursement — if any (line 25 minus line 26).		<input type="text" value="28."/>

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<sup>2</sup> If this is a Section 236 or Department of Agriculture Rural Development Section 515 project, enter the lower of the project's market Rent or line 22, *but* never less than the project's Basic Rent.

**Chapter Five – Calculating Assistance Amounts**

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**Exhibit 5.5 – Sample Format for Computing Total Tenant Payment and PJ Subsidy -- Rental Certificate Model<sup>3</sup>**

(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

- |     |   |                                  |
|-----|---|----------------------------------|
| 15. | 30% of Monthly Adjusted Income (line 14 ÷ 12) x 0.30).  | <input type="text" value="15."/> |
| 16. | 10% of Gross Monthly Income (line 1 ÷ 12) x 0.30).  | <input type="text" value="16."/> |
| 17. | Welfare rent (if applicable).   | <input type="text" value="17."/> |
| 18. | TOTAL TENANT PAYMENT (greater of lines 15, 16 or 17).   | <input type="text" value="18."/> |
| 19. | Contract Rent to Owners.  | <input type="text" value="19."/> |
| 20. | Utility Allowance.  | <input type="text" value="20."/> |
| 21. | Gross Rent (line 19 plus line 20).  | <input type="text" value="21."/> |
| 22. | Tenant Rent (line 18 minus line 20)<br>If line 20 is greater than line 18, enter zero, and enter the<br><i>difference</i> in line 23. | <input type="text" value="22."/> |
| 23. | Utility Reimbursement to Tenant (line 20 minus line 18 only<br>if line 20 is greater than line 18).                                   | <input type="text" value="23."/> |
| 24. | PJ Payment to Owner (line 19 minus line 22).  | <input type="text" value="24."/> |

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<sup>3</sup> Must be used for calculation of TTP when required for anti-displacement activities.

**Chapter Five – Calculating Assistance Amounts**

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**Exhibit 5.6 – Calculating PJ Subsidy -- Exercise**

The Petrillos family - Salvador (head of household), age 75, Sophia (spouse), age 77, and their son Phil, age 38 and handicapped- want to leave their house and move to an apartment that costs \$625 per month (utilities included). They will need HOME tenant based rental assistance (TBRA) to afford the apartment. When they applied for assistance, they had not found a buyer for their home.

The PJ's rent standard is \$600.

**Income Sources**

- Salvador receives a pension check of \$350/month and gross social security of \$625/month.
- Sophia receives a pension check of \$375/month. She works as a Retired Senior Volunteer and has averaged 20/hours week during the past year at \$6.50 an hour.
- Phil receives gross social security of \$305/month.

**Their Assets**

- The Petrillos own a home with a market value of \$50,000. The outstanding balance on the mortgage is \$10,000. The average cost of settlement and real estate transfers is five percent.
- The Petrillos' checking account has a \$1,525 average six-month balance. The actual yearly interest income on this account is \$58.
- The Petrillos' savings account holds \$2,500 with an annual interest rate of three percent.
- The Petrillos have a certificate of deposit worth \$10,000 with an annual interest rate of 4.2 percent.
- Last month, the Petrillos sold all their stock and gave the proceeds to their daughter Dorothy. Their net proceeds from the sale of the stock was \$1,850.

The HUD Passbook Rate is two percent.

**Their Expenses**

- Doctor and medication expenses for Salvador and Phil total \$1,390 per year.
- Medical insurance for the household equals \$2,300 per year.

Attendant care for Phil works costs \$50/week. This care enables Sophia to work.

Using the above information and the following format, calculate the Petrillos' annual and adjusted income using the Part 5 definitions. How much will the subsidy be?

**Chapter Five – Calculating Assistance Amounts**

**Sample Format for Calculating Part 5 Annual Income**

1. Name		2. Identification No.:			
<b>ASSETS</b>					
<b>Family Member</b>	<b>Asset Description</b>	<b>Current Cash Value of Assets</b>		<b>Actual Income from Assets</b>	
3. Net Cash Value of Assets.....		3.			
4. Total Actual Income from Assets.....		4.		4.	
5. If line 3 is greater than \$5,000, multiply line by ____ (Passbook Rate) and enter results here; otherwise, leave blank		5.		5.	
<b>ANTICIPATED ANNUAL INCOME</b>					
<b>Family Members</b>	<b>a. Wages/ Salaries</b>	<b>b. Benefits/ Pensions</b>	<b>c. Public Assistance</b>	<b>d. Other Income</b>	<b>e. Asset Income</b>
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .					7.

**Chapter Five – Calculating Assistance Amounts**

**Sample Format for Calculating Adjusted Income**

1.	Annual Income.	1.	
2.	Number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2.	
3.	Multiply line 2 by \$480.		3.
4.	Child care deduction (reasonable child care expenses for children age 12 and under). [If family has disability assistance expenses or qualifies as an elderly family, proceed to line 5; otherwise, skip to line 13.]		4.
5.	Enter disability assistance expenses.	5.	
6.	Multiply line 1 by 0.03.	6.	
7.	Subtract line 6 from line 5. If negative, enter 0.	7.	
8.	Enter amount earned by family member enabled to work as a result of disability assistance expenses.	8.	
9.	Enter the lesser of lines 7 or 8. This is the disability assistance allowance.		9.
<b>***FILL IN LINES 10 THROUGH 12 FOR ELDERLY FAMILIES ONLY***</b>			
10.	Enter total medical expenses.	10.	
11.	Allowable medical expenses: <ul style="list-style-type: none"> <li>• If the household reported no expenses in line 5, enter line 10 minus line 6.</li> <li>• If the household reported expenses in line 5, but line 7 is zero, enter line 10 minus (line 6 minus 5).</li> <li>• If the household reported expenses in line 7 and line 7 is greater than zero, enter line 10.</li> </ul>		11.
12.	Enter \$400.		12.
13.	Add lines 3, 4, 9, 11, and 12.		13.
14.	Subtract line 13 from line 1. This is <b>Adjusted Income</b> .		14.

**Chapter Five – Calculating Assistance Amounts**

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**Sample Format for Computing Total Tenant Payment and PJ Subsidy  
Rental Voucher Model**

(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

15. Rent Standard	<input type="text" value="15."/>	
16. 30% of Monthly Adjusted Income ((line 14 ÷ 12) x 0.30).	<input type="text" value="16."/>	
17. Maximum Subsidy (line 15 minus line 16).		<input type="text" value="17."/>
18. Rent Charged by Owner. <sup>4</sup>	<input type="text" value="18."/>	
19. Utility Allowance — if any.	<input type="text" value="19."/>	
20. Gross Rent for the Unit (line 18 plus line 19).		<input type="text" value="20."/>
21. Gross Rent minus Maximum Subsidy (line 20 minus line 17).		<input type="text" value="21."/>
22. 10% of Monthly Gross Income (line 1 ÷ 12) x 0.10).	<input type="text" value="22."/>	
23. Total Family Contribution (higher of line 21 or line 22).		<input type="text" value="23."/>
24. Gross Rent minus Family Contribution (line 20 minus line 23).	<input type="text" value="24."/>	
25. Total Voucher Subsidy (lower of line 17 or line 24).		<input type="text" value="25."/>
26. PJ Payment to Owner (lower of line 18 or line 25).		<input type="text" value="26."/>
27. Family Rent to Owner (line 18 minus line 26).		<input type="text" value="27."/>
28. Utility Reimbursement — if any (line 25 minus line 26).		<input type="text" value="28."/>

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<sup>4</sup> If this is a Section 236 or Department of Agriculture Rural Development Section 515 project, enter the lower of the project's market Rent or line 22, *but* never less than the project's Basic Rent.

**Chapter Five – Calculating Assistance Amounts**

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**Sample Format for Computing Total Tenant Payment and PJ Subsidy  
Rental Certificate Model<sup>5</sup>**

(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

- |     |  |                                  |
|-----|--|----------------------------------|
| 15. | 30% of Monthly Adjusted Income (line 14 + 12) x 0.30).   | <input type="text" value="15."/> |
| 16. | 10% of Gross Monthly Income (line 1 + 12) x 0.10).   | <input type="text" value="16."/> |
| 17. | Welfare rent (if applicable).  | <input type="text" value="17."/> |
| 18. | TOTAL TENANT PAYMENT (greater of lines 15, 16 or 17).  | <input type="text" value="18."/> |
| 19. | Contract Rent to Owners.   | <input type="text" value="19."/> |
| 20. | Utility Allowance.   | <input type="text" value="20."/> |
| 21. | Gross Rent (line 19 plus line 20).   | <input type="text" value="21."/> |
| 22. | Tenant Rent (line 18 minus line 20).<br>If line 20 is greater than line 18, enter zero, and enter the<br><i>difference</i> in line 23. | <input type="text" value="22."/> |
| 23. | Utility Reimbursement to Tenant (line 20 minus line 18 only<br>if line 20 is greater than line 18).                                    | <input type="text" value="23."/> |
| 24. | PJ Payment to Owner (line 19 minus line 22).   | <input type="text" value="24."/> |

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<sup>5</sup> Must be used for calculation of TTP when required for anti-displacement activities.

**Chapter Five – Calculating Assistance Amounts**

**Sample Format for Calculating Part 5 Annual Income**

1. Name <i>Salvador and Sophia Petrillo</i>		2. Identification No.:			
<b>ASSETS</b>					
Family Member	Asset Description	Current Cash Value of Assets	Actual Income from Assets		
Salvador & Sophia	Home	\$37,500	\$ 0		
Salvador & Sophia	Checking Account	\$1,525	\$ 58		
Salvador & Sophia	Savings Account	\$2,500	\$ 75		
Salvador & Sophia	Certificates of Deposit	\$10,000	\$420		
Salvador & Sophia	Stock	\$1,850	\$ 0		
3. Net Cash Value of Assets.....		3. \$53,375			
4. Total Actual Income from Assets.....			4. \$ 553		
5. If line 3 is greater than \$5,000, multiply line by <u>.02</u> (Passbook Rate) and enter results here; otherwise, leave blank			5. \$1,068		
<b>ANTICIPATED ANNUAL INCOME</b>					
Family Members	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income	e. Asset Income
Salvador		\$11,700			Enter the greater of lines 4 or 5 from above in e.
Sophia		\$ 4,500			
Phil		\$ 3,660			
6. Totals	a.	b. \$19,860	c.	d.	e. \$ 1,068
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .					7. 20,928

**Chapter Five – Calculating Assistance Amounts**

**Sample Format for Calculating Adjusted Income**

1. Annual Income.	1.	\$20,928	
2. Number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2.	1	
3. Multiply line 2 by \$480.			3. 480
4. Child care deduction (reasonable child care expenses for children age 12 and under). [If family has disability assistance expenses or qualifies as an elderly family, proceed to line 5; otherwise, skip to line 13.]			4. N/A
5. Enter disability assistance expenses.	5.	2,600	
6. Multiply line 1 by 0.03.	6.	628	
7. Subtract line 6 from line 5. If negative, enter 0.	7.	1,972	
8. Enter amount earned by family member enabled to work as a result of disability assistance expenses.	8.	6,760	
9. Enter the lesser of lines 7 or 8. This is the disability assistance allowance.			9. 1,972
<b>***FILL IN LINES 10 THROUGH 12 FOR ELDERLY FAMILIES ONLY***</b>			
10. Enter total medical expenses.	10.	3,690	
11. Allowable medical expenses:			
• If the household reported no expenses in line 5, enter line 10 minus line 6.			
• If the household reported expenses in line 5, but line 7 is zero, enter line 10 minus (line 6 minus 5).			
• If the household reported expenses in line 7 and line 7 is greater than zero, enter line 10.			11. 3,690
12. Enter \$400.			12. 400
13. Add lines 3, 4, 9, 11, and 12.			13. 6,542
14. Subtract line 13 from line 1. This is <b>Adjusted Income</b> .			14. 14,386

**Chapter Five – Calculating Assistance Amounts**

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**Sample Format for Computing Total Tenant Payment and PJ Subsidy  
 Rental Voucher Model**

15. Rent Standard	15. 600
16. 30% of Monthly Adjusted Income ((line 14 ÷ 12) x 0.30).	16. 360
17. Maximum Subsidy (line 15 minus line 16).	17. 240
18. Rent Charged by Owner. <sup>6</sup>	18. 625
19. Utility Allowance — if any.	19. 0
20. Gross Rent for the Unit (line 18 plus line 19).	20. 625
21. Gross Rent minus Maximum Subsidy (line 20 minus line 17).	21. 385
22. 10% of Monthly Gross Income (line 1 ÷ 12) x 0.10).	22. 174
23. Total Family Contribution (higher of line 21 or line 22).	23. 385
24. Gross Rent minus Family Contribution (line 20 minus line 23).	24. 240
25. Total Voucher Subsidy (lower of line 17 or line 24).	25. 240
26. PJ Payment to Owner (lower of line 18 or line 25).	26. 240
27. Family Rent to Owner (line 18 minus line 26).	27. 385
28. Utility Reimbursement — if any (line 25 minus line 26).	28. 0

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<sup>6</sup> If this is a Section 236 or Department of Agriculture Rural Development Section 515 project, enter the lower of the project's market Rent or line 22, *but* never less than the project's Basic Rent.

**Chapter Five – Calculating Assistance Amounts**

---

**Sample Format for Computing Total Tenant Payment and PJ Subsidy  
 Rental Certificate Model<sup>7</sup>**

15.	30% of Monthly Adjusted Income (line 14 ÷ 12) x 0.30).	15.	360
16.	10% of Gross Monthly Income (line 1 ÷ 12) x 0.30).	16.	174
17.	Welfare rent (if applicable).	17.	N/A
18.	TOTAL TENANT PAYMENT (greater of lines 15, 16 or 17).	18.	360
19.	Contract Rent to Owners	19.	625*
20.	Utility Allowance.	20.	0
21.	Gross Rent (line 19 plus line 20).	21.	625
22.	Tenant Rent (line 18 minus line 20). If line 20 is greater than line 18, enter zero, and enter the <i>difference</i> in line 23.	22.	360
23.	Utility Reimbursement to Tenant (line 20 minus line 18 only if line 20 is greater than line 18).	23.	0
24.	PJ Payment to Owner (line 19 minus line 22).	24.	265

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<sup>7</sup> Must be used for calculation of TTP when required for anti-displacement activities.

## Chapter Five – Calculating Assistance Amounts

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### Explanation

#### Assets

- HOME: For HOME TBRA, the cash value of the home is counted as an asset when determining imputed asset income. The net market worth is \$50,000, less \$10,000 for the second mortgage and \$2,500 ( $\$50,000 \times 5\%$ ) for the sales expenses, or \$37,500.
- Checking Account: The actual income from this account was \$58.
- Savings Account:  $\$2,500$  in this account times an annual interest rate of 3% (.03) = \$75.
- Certificate of Deposit:  $\$10,000$  mature certificate of deposit times an interest rate of 4.2% (.042) = \$420.
- Stock: Because the asset was sold less than two years ago, it must be included in this total.

The HUD Passbook Rate is 2%. The actual income, from the accounts and the certificate, is \$553. The imputed income is the total asset value times the Passbook Rate, or \$1,068. Because \$1,068 is larger than the actual amount earned, it must be used.

#### Income

- Salvador: His pension check of \$350/month and gross Social Security of \$625/month come to \$11,700 annually. This is all benefit/pension income.
- Sophia: Her pension check of \$375/month comes to \$4,500 annually. Her wages for Retired Senior Volunteer are not counted as income (refer to Exhibit 3.2).
- Phil: His gross Social Security payment of \$305/month comes to \$3,660 annually.

#### Adjustments

- Line 2: Phil is disabled and is therefore eligible for a \$480 deduction.
- Line 4: There are no children in the family.
- Line 5: Phil's attendant costs \$50/week.  $\$50/\text{week} \times 52 \text{ weeks/year} = \$2,600$ .
- Line 7: The eligible amount of disabled assistance expense deduction is the portion that is in excess of 3% of the household's annual income.
- Line 8-9: The maximum allowable disability assistance expense deduction is the amount that was earned because of the expenditure. In this case, this is Sophia's income of \$6,760. The disability allowance (line 9) is the lesser of this maximum amount or the portion of the disabled assistance expense that is in excess of 3% of the household total income.
- Line 10: This is an elderly household (head or spouse over 62 years).
- Line 11: Because the 3% of annual income has already been deducted from the disability assistance expense, the medical expense can be deducted in full.
- Line 12: Allowance for elderly households.

## Endnotes

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<sup>1</sup> The rules concerning Section 8 annual income were previously found at 24 CFR Part 813; however, Part 813 was removed from the Federal regulations on October 18, 1996. At the same time, 24 CFR Part 5 was published. Subpart F of Part 5 consolidated the requirements pertaining to income for many of HUD's programs, including Section 8.

<sup>2</sup> While the IRS uses the term adjusted gross income, it is considered annual income for the purposes of the HOME Program. Under the HOME Program, the term "adjusted income" is used only in reference to the process of subtracting certain deductions from annual income to determine subsidy or payment level in accordance with 24 CFR 5.611.

<sup>3</sup> [http://www.archives.gov/federal\\_register/index.html](http://www.archives.gov/federal_register/index.html)

<sup>4</sup> Throughout this guide, unless specified otherwise, "annual income" refers to annual income as calculated using one of the three definitions allowed under the HOME Program.

<sup>5</sup> "Adjusted income" is calculated using annual income (as calculated using one of the three allowable definitions of annual income) and subtracting adjustments defined at 24 CFR 5.611.

<sup>6</sup> "Part 5 annual income" refers to the annual income calculation defined at 24 CFR 5.609. It was formerly commonly known as "Section 8 annual income" and was previously the only definition of annual income allowed under the HOME Program.

<sup>7</sup> For the purposes of this discussion, the terms household and family are interchangeable.

<sup>8</sup> [http://www.hud.gov/offices/pih/systems/pic/50058/pubs/ib/ib\\_final\\_0601.pdf](http://www.hud.gov/offices/pih/systems/pic/50058/pubs/ib/ib_final_0601.pdf)

<sup>9</sup> <http://www.hud.gov/offices/pih/programs/ph/rhiip/phguidebooknew.pdf>

## Appendices

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- Appendix A: Glossary of Terms
- Appendix B: Sample Format for Computing Part 5 Annual Income
- Appendix C: Sample Format for Computing Census Long Form Annual Income
- Appendix D: Sample Format for Computing IRS Form 1040 Series Adjusted Gross Income
- Appendix E: Sample Format for Computing Part 5 Adjusted Income
- Appendix F: Sample Format for Computing Total Tenant Payment and PJ Subsidy – Rental Voucher Model
- Appendix G: Sample Format for Computing Total Tenant Payment and PJ Subsidy – Rental Certificate Model
- Appendix H: Sample Verification Forms for Determining Annual (Gross) Income
- Appendix I: Sample Verification Forms for Determining Part 5 Adjusted Income
- Appendix J: Sample Annual Recertification of Income Forms (for Rental Housing Projects)



## Appendix A

### Glossary of Terms

---

<b>Adjusted Income</b>	The HOME Program uses three definitions of annual (gross) income. Adjusted income is annual (gross) income reduced by deductions (or allowances) for dependents, elderly households, medical expenses, disability assistance expenses, and child care. Adjusted income is used only under certain circumstances.
<b>Affordability</b>	As used in this guide, affordability refers to 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 regulations. Affordability requirements vary depending on the nature of the HOME-assisted activity (i.e., homeownership or rental housing).
<b>Annual (Gross) Income</b>	The HOME Program allows the use of three income definitions for the purpose of determining applicant eligibility -- annual income as defined in 24 CFR 5.609, annual income as reported under the Census Long Form for the most recent decennial Census, and adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes. The definitions are collectively referred to as annual (gross) income, and are also used in the Community Development Block Grant Program.
<b>Community Development Block Grant (CDBG)</b>	Federal funding that allows communities to carry out flexible, locally designed comprehensive community development activities in accordance with Title I, Housing and Community Development Act of 1974 and its implementing regulations at 24 CFR Part 570.
<b>Community Housing Development Organization (CHDO)</b>	A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. CHDOs must receive at least 15 percent of a participating jurisdiction's annual allocation of HOME funds. CHDOs may own, develop, or sponsor HOME-financed housing.
<b>Consolidated Plan</b>	A plan of up to five years in length that describes a community's needs, resources, priorities, and proposed activities to be undertaken with certain HUD funding, including funding under the HOME Program. The Consolidated Plan is updated annually.

Appendix A – Glossary of Terms

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<b>HOME-Assisted Units</b>	Units within a HOME project where HOME funds are used and rent, occupancy, and/or long-term affordability restrictions apply.
<b>HOME Funds</b>	All appropriations for the HOME Program, plus all repayments and interest or other return on the investment of these funds.
<b>HOME Investment Trust Fund</b>	The term given to the two accounts — one at the Federal level and one at the local level — that “hold” the participating jurisdiction’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.
<b>HOME Investment Partnerships Program (HOME)</b>	The HOME Program is 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 substantial rehabilitation activities. The program was authorized by Title II of the National Affordable Housing Act of 1990. Its implementing regulations are found at 24 CFR Part 92.
<b>HUD</b>	U.S. Department of Housing and Urban Development.
<b>Low-Income Family</b>	Family whose annual (gross) income does not exceed 80 percent of the median family income for the area (adjusted for family size), as determined by HUD. HUD may establish, on an exception basis, income ceilings higher or lower than 80 percent of median income for an area.
<b>National Affordable Housing Act of 1990 (NAHA)</b>	Enacted by Congress to authorize the HOME Investment Partnerships Program, the National Homeownership Trust program, and programs to amend and extend certain laws relating to housing, community, and neighborhood preservation and related programs.
<b>New Construction</b>	The creation of new dwelling units. Any project that includes the creation of additional dwelling units outside the existing walls of a structure is also considered new construction.
<b>Participating Jurisdiction (PJ)</b>	The term given to any state, local government, or consortium of local governments that HUD has designated to administer a HOME Program. HUD designation as a PJ occurs if a state, local government, or consortium meets the funding thresholds, notifies HUD that it intends to participate in the program, and obtains approval by HUD of a Consolidated Plan.

Appendix A – Glossary of Terms

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<b>Project</b>	One or more buildings on a single site or multiple sites that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking.
<b>Section 8 Existing Rental Assistance</b>	A Federal program that provides rental assistance to low-income families who are unable to afford market rents. Assistance may be in the form of vouchers or certificates. Implementing regulations can be found at 24 CFR Part 982.
<b>State Recipient</b>	Any unit of local government designated by a state to receive HOME funds. The state PJ is responsible for ensuring that HOME funds allocated to state recipients are used in accordance with the HOME regulations and other applicable laws.
<b>Subrecipient</b>	A public agency or nonprofit organization selected by a participating jurisdiction to <i>administer</i> all or a portion of the participating jurisdiction'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.
<b>Targeting</b>	Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.
<b>Total Development Cost (TDC)</b>	The sum of all costs for site acquisition, relocation, demolition, construction and equipment, interest and carrying charges.
<b>Very Low-Income Family</b>	Family whose annual (gross) income does not exceed 50 percent of the median income for the area (adjusted for family size), as determined by HUD. HUD may establish income ceilings higher or lower than 50 percent of median income for an area on an exception basis.



## Appendix B

### Sample Format for Calculating Part 5 Annual Income

1. Name		2. Identification No.:			
<b>ASSETS</b>					
<b>Family Member</b>	<b>Asset Description</b>	<b>Current Cash Value of Assets</b>		<b>Actual Income from Assets</b>	
3. Net Cash Value of Assets .....		3.			
4. Total Actual Income from Assets .....				4.	
5. If line 3 is greater than \$5,000, multiply line by _____ (Passbook Rate) and enter results here; otherwise, leave blank				5.	
<b>ANTICIPATED ANNUAL INCOME</b>					
<b>Family Members</b>	<b>a. Wages/ Salaries</b>	<b>b. Benefits/ Pensions</b>	<b>c. Public Assistance</b>	<b>d. Other Income</b>	<b>e. Asset Income</b>
					Enter the greater of lines 4 or 5 from above in e.
6. Totals	a.	b.	c.	d.	e.
7. Enter total of items from 6a. through 6e. This is <i>Annual Income</i> .....					7.

X \_\_\_\_\_  
Signature

For Office Use Only

\_\_\_\_\_ Income Limit  
\_\_\_\_\_ Income Limit of Household



## Appendix C

### Sample Format for Computing Census Long Form Annual Income

---

Name:			Identification No.:			
ANTICIPATED ANNUAL INCOME						
Family Member	a. Wages/ Salaries	b. Business Income	c. Interest/ Dividends	d. Benefits/ Pensions	e. Public Assistance	f. Other Income
1. Totals	a.	b.	c.	d.	e.	f.
2. Enter total of items from 1a. through 1f. This is <i>Annual Income</i> .....						2.

  X    
Signature

-----  
For Office Use Only  
\_\_\_\_\_ Income Limit  
\_\_\_\_\_ Income Limit of Household



## Appendix D

### Sample Format for Computing IRS 1040 Series Adjusted Gross Income

Name:	Identification No.:				
	Family Member				Subtotal (add a-d)
	a.	b.	c.	d.	e.
1. Wages, salaries, tips					
2. Taxable interest					
3. Dividend income					
4. Taxable refunds/ credits/offsets of state/ local income taxes					
5. Alimony received					
6. Business income (or loss)					
7. Capital gain (or loss)					
8. Other gains (or losses)					
9. Taxable amount of IRA distributions					
10. Taxable amount of pensions and annuities					
11. Rental real estate, royalties, partnerships, trusts, etc.					
12. Farm income (or loss)					
13. Unemployment compensation					
14. Taxable amount of Social Security benefits					
15. Other income					
<b>16. Subtotal (lines 1-15)</b>					

Appendix D – Sample Format for Computing IRS 1040 Series Adjusted Gross Income

	Family Member				Subtotal (add a-d)
	a.	b.	c.	d.	e.
17. IRA deduction					
18. Medical savings account deduction					
19. Moving expenses					
20. One-half of self-employment tax					
21. Self-employed health insurance deduction					
22. Keogh and self-employed SEP and SIMPLE plans					
23. Penalty on early withdrawal of savings					
24. Paid alimony					
<b>25. Subtotal (lines 17-24)</b>					
26. Subtract line 25 from line 16. This is <i>Adjusted Gross Income</i> .....					

X \_\_\_\_\_

Signature

-----

For Office Use Only

\_\_\_\_\_ Income Limit

\_\_\_\_\_ Income Limit of Household



## Appendix E

### Sample Format for Computing Part 5 Adjusted Income

1. Annual Income.	1.	
2. Number of family members (excluding head or spouse) under 18, disabled, or full-time students.	2.	
3. Multiply line 2 by \$480.		3.
4. Child care deduction (reasonable child care expenses for children age 12 and under). [If family has disability assistance expenses or qualifies as an elderly family, proceed to line 5; otherwise, skip to line 13.]		4.
5. Enter disability assistance expenses.	5.	
6. Multiply line 1 by 0.03.	6.	
7. Subtract line 6 from line 5. If negative, enter 0.	7.	
8. Enter amount earned by family member enabled to work as a result of disability assistance expenses.	8.	
9. Enter the lesser of lines 7 or 8. This is the disability assistance allowance.		9.
<b>***FILL IN LINES 10 THROUGH 12 FOR ELDERLY FAMILIES ONLY***</b>		
10. Enter total medical expenses.	10.	
11. Allowable medical expenses:		
• If the household reported no expenses in line 5, enter line 10 minus line 6.		
• If the household reported expenses in line 5, but line 7 is zero, enter line 10 minus (line 6 minus 5).		
• If the household reported expenses in line 7 and line 7 is greater than zero, enter line 10.		11.
12. Enter \$400.		12.
13. Add lines 3, 4, 9, 11, and 12.		13.
14. Subtract line 13 from line 1. This is <b>Adjusted Income</b> .		14.



**Appendix F**  
**Sample Format for Computing**  
**Total Tenant Payment and PJ Subsidy**  
**Rental Voucher Model**

---

(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

15. Rent Standard	15.	
16. 30% of Monthly Adjusted Income ((line 14 ÷ 12) x 0.30).	16.	
17. Maximum Subsidy (line 15 minus line 16).		17.
18. Rent Charged by Owner. <sup>1</sup>	18.	
19. Utility Allowance — if any.	19.	
20. Gross Rent for the Unit (line 18 plus line 19).		20.
21. Gross Rent minus Maximum Subsidy (line 20 minus line 17).		21.
22. 10% of Monthly Gross Income (line 1 ÷ 12) x 0.10).	22.	
23. Total Family Contribution (higher of line 21 or line 22).		23.
24. Gross Rent minus Family Contribution (line 20 minus line 23).	24.	
25. Total Voucher Subsidy (lower of line 17 or line 24).		25.
26. PJ Payment to Owner (lower of line 18 or line 25).		26.
27. Family Rent to Owner (line 18 minus line 26).		27.
28. Utility Reimbursement — if any (line 25 minus line 26).		28.

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<sup>1</sup> If this is a Section 236 or Department of Agriculture Rural Development Section 515 project, enter the lower of the project's market Rent or line 22, *but* never less than the project's Basic Rent.



**Appendix G**  
**Sample Format for Computing**  
**Total Tenant Payment and PJ Subsidy**  
**Rental Certificate Model<sup>2</sup>**

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(This form is designed to continue from the Sample Format for Computing Part 5 Adjusted Income, presented in Chapter 4.)

- |     |  |     |  |
|-----|--|-----|--|
| 15. | 30% of Monthly Adjusted Income (line 14 ÷ 12) x 0.30).   | 15. | <input style="width: 100px; height: 20px;" type="text"/> |
| 16. | 10% of Gross Monthly Income (line 1 ÷ 12) x 0.30).   | 16. | <input style="width: 100px; height: 20px;" type="text"/> |
| 17. | Welfare rent (if applicable).  | 17. | <input style="width: 100px; height: 20px;" type="text"/> |
| 18. | TOTAL TENANT PAYMENT (greater of lines 15, 16 or 17).  | 18. | <input style="width: 100px; height: 20px;" type="text"/> |
| 19. | Contract Rent to Owners.   | 19. | <input style="width: 100px; height: 20px;" type="text"/> |
| 20. | Utility Allowance.   | 20. | <input style="width: 100px; height: 20px;" type="text"/> |
| 21. | Gross Rent (line 19 plus line 20).   | 21. | <input style="width: 100px; height: 20px;" type="text"/> |
| 22. | Tenant Rent (line 18 minus line 20)<br>If line 20 is greater than line 18, enter zero, and enter the <i>difference</i> in line 23. | 22. | <input style="width: 100px; height: 20px;" type="text"/> |
| 23. | Utility Reimbursement to Tenant (line 20 minus line 18 only if line 20 is greater than line 18).                                   | 23. | <input style="width: 100px; height: 20px;" type="text"/> |
| 24. | PJ Payment to Owner (line 19 minus line 22).   | 24. | <input style="width: 100px; height: 20px;" type="text"/> |

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<sup>2</sup> Must be used for calculation of TTP when required for anti-displacement activities.



## Appendix H

### Sample Verification Forms for Determining Annual (Gross) Income

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HOME Program Eligibility Release Form _____	106
Verification of Employment _____	107
Verification of Income from Business _____	108
Verification of Social Security Benefits _____	109
Verification of Pension and Annuities _____	110
Verification of Veterans Administration Benefits _____	111
Verification of Unemployment Benefits _____	112
Verification of Public Assistance Income _____	113
Verification of Child Support Payments _____	114
Verification of Alimony or Separation Payments _____	115
Verification of Recurring Cash Contributions _____	116
Verification of Income from Military Service _____	117
Verification of Assets on Deposit _____	118
Verification of Assets Disposed _____	119
Record of Oral Verification _____	120

**HOME Program  
Eligibility Release Form**

Organization requesting release of information (PJ name, address, telephone, and date)

**Purpose:** Your signature on this HOME Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

- HOME TBRA Program
- HOME Homebuyer Program
- HOME Rental Rehabilitation Program
- HOME Homeowner Rehabilitation Program

**Privacy Act Notice Statement:** The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, state, and local agencies when relevant to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

**Instructions:** Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

**NOTE:** THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

**Information Covered:** Inquiries may be made about items initialed by applicant/tenant.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Other (list) _____ _____		
Dependent Deduction ____ Full-Time Student ____ Handicap/Disabled Family Member ____ Minor Children		

**Authorization:** I authorize the above-named HOME Participating Jurisdiction and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.

Head of Household—Signature, Printed Name, and Date: Family Member HEAD

Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #2

Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #3

Other Adult Member of the Household—Signature, Printed Name, and Date: Family Member #4

### VERIFICATION OF: Employment

<p>(Name of HOME Participating Jurisdiction) _____</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Employment Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Employed since: _____ Occupation: _____</p> <p>Salary: _____</p> <p>Effective date of last increase: _____</p> <p>Base pay rate: \$ _____/Hour; or \$ _____/Week; or \$ _____/Month</p> <p>Average hours/week at base pay rate: _____ Hours</p> <p>No. Weeks _____, or No. Weeks _____ worked per year</p> <p>Overtime pay rate: \$ _____/Hour</p> <p>Expected weekly average number of hours overtime to be worked during next 12 months _____</p> <p>Any other compensation not included above (specify for commissions, bonuses, tips, etc.):</p> <p>For: _____ \$ _____ per _____</p> <p>Is pay received for vacation? ____ If yes, no. of days/yr. _____</p> <p>Total base pay earnings for past 12 mos. \$ _____</p> <p>Total overtime earnings for past 12 mos. \$ _____</p> <p>Probability and expected date of any pay increase: _____</p> <p>Does the employee have access to a retirement account? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, what amount can they get access to: \$ _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

**VERIFICATION OF: Income from Business**

<p>(Name of HOME Participating Jurisdiction) _____</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Business Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Based on business transacted from _____ to _____</p> <p>1. Gross Income \$ _____</p> <p>2. Expenses</p> <p style="margin-left: 20px;">(a) Interest on loans \$ _____</p> <p style="margin-left: 20px;">(b) Cost of goods/materials \$ _____</p> <p style="margin-left: 20px;">(c) Rent \$ _____</p> <p style="margin-left: 20px;">(d) Utilities \$ _____</p> <p style="margin-left: 20px;">(e) Wages/salaries \$ _____</p> <p style="margin-left: 20px;">(f) Employee contributions \$ _____</p> <p style="margin-left: 20px;">(g) Federal Withholding Tax \$ _____</p> <p style="margin-left: 20px;">(h) State Withholding Tax \$ _____</p> <p style="margin-left: 20px;">(i) FICA \$ _____</p> <p style="margin-left: 20px;">(j) Sales tax \$ _____</p> <p style="margin-left: 20px;">(k) Other: _____ \$ _____</p> <p style="margin-left: 20px;">_____ \$ _____</p> <p style="margin-left: 20px;">_____ \$ _____</p> <p style="margin-left: 20px;">(l) Straight line depreciation \$ _____</p> <p style="margin-left: 40px;">Total Expenses \$ _____</p> <p>3. Net Income \$ _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	



**VERIFICATION OF: Pension and Annuities**

<p>(Name of HOME Participating Jurisdiction)</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Pension and Annuities Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Current monthly gross amount of pension or annuity \$ _____</p> <p>Deductions from gross for medical insurance premiums \$ _____</p> <p>Date of initial award _____</p> <p>Effective date of current amount _____</p> <p>Contributions to company retirement/pension fund \$ _____</p> <p>Amount received in a lump sum \$ _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

**VERIFICATION OF: Veterans Administration Benefits**

<p>(Name of HOME Participating Jurisdiction) _____</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Veterans Administration Benefits Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Veteran: _____</p> <p>Address: _____</p> <p>Claim No.: _____</p> <p>Date of Birth: _____</p> <p>Service Dates: _____ to _____</p> <p>Benefits Paid to: _____</p> <p>1. Current Benefit Amount        \$ _____</p> <p>2. Original Start Date            _____</p> <p>3. This amount will increase/ decrease to (circle one)        \$ _____</p> <p>    Date Change Takes Effect    _____</p> <p>4. Benefits are for:</p> <p><input type="checkbox"/> GI Bill Training</p> <p><input type="checkbox"/> Insurance</p> <p><input type="checkbox"/> Service Connected Compensation Disability (%) _____</p> <p><input type="checkbox"/> Nonservice Pension Death</p> <p><input type="checkbox"/> Service Connected Compensation Death</p> <p><input type="checkbox"/> Other _____</p> <p>_____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	











**VERIFICATION OF: Income from Military Service**

<p>(Name of HOME Participating Jurisdiction)</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Military Service Income of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Years _____ and Months _____ of service for pay purposes.</p> <p><b>Income:</b></p> <p>Base and Longevity Pay           \$ _____</p> <p>Proficiency Pay                    \$ _____</p> <p>Sea and Foreign Duty Pay        \$ _____</p> <p>Hazardous Duty Pay               \$ _____</p> <p>Subsistence Allowance            \$ _____</p> <p>Quarters Allowance (include only amount contributed by the Government)           \$ _____</p> <p>Number of dependents claimed   _____</p> <p>Imminent Danger Pay             \$ _____</p> <p>Other (explain):</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	

**VERIFICATION OF: Assets on Deposit**

(Name of HOME Participating Jurisdiction)  <b>AUTHORIZATION:</b> Federal Regulations require us to verify Assets on Deposit of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.  Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.	Checking Account No. _____ _____	Average Monthly Balance for Last 6 Months _____ _____	Current Interest rate _____ _____		
	Savings Account No. _____ _____	Current Balance _____ _____	Current Interest Rate _____ _____	Current Interest Rate _____ _____	
	Certificate of Deposit Account No. _____ _____	Amount _____ _____	Withdrawal Penalty _____ _____		
<b>Retirement Savings (IRA, Keogh, 401(k))</b>	Account No. _____ _____	Amount _____ _____	Withdrawal Penalty _____ _____	Current Interest Rate _____ _____	
<b>Money Market Funds</b>	Money Market Funds _____ _____	Amount (Average 6-month Balance) _____ _____	Interest Rate _____ _____		
<b>RELEASE:</b> I hereby authorize the release of the requested information.  _____ (Signature of Applicant) Date: _____  Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.	Signature of _____ or Authorized Representative _____ Title: _____ Date: _____ Telephone: _____				
<b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.					



**RECORD OF ORAL VERIFICATION**

**APPLICANT INFORMATION**

Re: \_\_\_\_\_

Address: \_\_\_\_\_

Date Received: \_\_\_\_\_

---

**INFORMATION VERIFIED**

Item Verified: \_\_\_\_\_

Person Contacted: \_\_\_\_\_

Representing: \_\_\_\_\_

---

**INFORMATION SUPPLIED**

\_\_\_\_\_  
Signature of Person Receiving Verification

\_\_\_\_\_  
Date and Time



## Appendix I

### Sample Verification Forms for Determining Part 5 Adjusted Income

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Verification of Full-Time Student Status _____	124
Verification of Medical Expenses _____	125
Verification of Transportation to Medical Treatment _____	126
Verification of Prescription/Nonprescription Expense _____	127
Verification of Child Care/Dependent Care _____	128



### VERIFICATION OF: Full-Time Student Status

<p>(Name of HOME Participating Jurisdiction)</p>  <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Full-Time Student Status of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Name of Full-Time Student: _____</p> <p>Name of institution: _____</p> <p>Address of institution: _____</p> <p>Check applicable box: Referenced individual <input type="checkbox"/> is <input type="checkbox"/> is not a full-time student in good standing at this institution.</p> <p>Years remaining to complete Degree or Program: _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____ (Signature of Applicant) Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	





**VERIFICATION OF: Prescription/Nonprescription Expense**

<p>(Name of HOME Participating Jurisdiction)</p> <p><b>AUTHORIZATION:</b> Federal Regulations require us to verify Prescription and Nonprescription Expenses of all members of the household applying for participation in the HOME Program which we operate and to re-examine this income periodically. We ask your cooperation in supplying this information. This information will be used only to determine the eligibility status and level of benefit of the household.</p> <p>Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed.</p>	<p>Prescription expenses for the months from _____ to _____.</p> <p>Average yearly cost for prescription medications that are not covered by Medicare or other insurance \$ _____</p> <p>Average yearly cost for nonprescription drug items used for medical reasons (aspirin, pain relief medications taken by mouth or applied to the skin, antacids, etc.) \$ _____</p>
<p><b>RELEASE:</b> I hereby authorize the release of the requested information.</p> <p>_____</p> <p>(Signature of Applicant)</p> <p>Date: _____</p> <p>Or a copy of the executed "HOME Program Eligibility Release Form," which authorizes the release of the information requested, is attached.</p>	<p>Signature of _____ or Authorized Representative</p> <p>_____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Telephone: _____</p>
<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>	





## Appendix J

### Sample Annual Recertification of Income Forms (for Rental Housing Projects)

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Recertification of Annual Income by Tenant Family_____	132
Recertification of Annual Income by Government Programs_____	133



## Recertification of Annual Income by Tenant Family

### Household Information

Household name: \_\_\_\_\_

Household size (total number in household): \_\_\_\_\_

Household members (list): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Income Information

Annual (gross) income (total of all household members): \$ \_\_\_\_\_

I/we certify that this information is complete and accurate. I/we agree to provide, upon request, documentation on all income sources to (Name of PJ and/or Property Owner/Manager).

Signature of \_\_\_\_\_

or Authorized Representative \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone: \_\_\_\_\_

<p><b>WARNING:</b> Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.</p>
--

## Recertification of Annual Income by Government Programs

The purpose of this form is to certify that \_\_\_\_\_ (name of household) residing at \_\_\_\_\_ (address) receives benefits under \_\_\_\_\_ (name of government program). As such, the annual income of this household has been examined and determined to be below \$ \_\_\_\_\_ (income limit for the program for a family of \_\_\_\_ [household size]).

---

Certified by:

Signature of Authorized Representative \_\_\_\_\_

Name (Print) \_\_\_\_\_

Title \_\_\_\_\_

Agency \_\_\_\_\_

Date \_\_\_\_\_

**WARNING:**

Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

# APPENDIX E

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**CITY OF INGLEWOOD MINOR HOME REHABILITATION PROGRAM  
AUTHORIZATION FOR RELEASE OF INFORMATION**

Agency Requesting Release of Information: <b>City of Inglewood CDBG Division</b>	Agency Address and Contact Information:
---	---

**Purpose:** In signing this consent form, you are authorizing HUD and the above named Agency(ies) to request information including but not limited to: identity and marital status, employment income, welfare income, assets, residences and rental activity, Medical or Childcare Allowances, and Credit and Criminal Activity. HUD and the Agency need this information to verify your eligibility for assisted housing benefits and that these benefits are set at the correct level. HUD and the Agency may participate in computer matching programs with these sources in order to verify your eligibility and level of benefits.

**Uses of Information to be Obtained:** HUD is required to protect the information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for employment suitability purposes and to other Agencies for law enforcement purposes, to Federal agencies for employment suitability purposes, and to Housing authorities for the purpose of determining housing assistance. The Agency is also required to protect the information it obtains in accordance with any applicable State privacy law. HUD and the Agency employees may be subject to penalties for unauthorized disclosures or improper uses of the information that is obtained based on the consent form.

**Who Must Sign the Consent Form:** Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult

members joining the household or whenever members of the household becomes 18 years of age.

**Failure to Sign Consent Form:** Your failure to sign the consent form may result in the denial of eligibility, or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the Agency's informal review and appeals procedures.

**Sources of Information:** The groups or individuals that may be asked to release the authorized information includes but are not limited to:

- Current and Previous Lenders (including Public Agencies)
- Courts and Post Offices
- Schools and Colleges
- Law Enforcement Agencies
- Support and Alimony Providers
- Past and Present Employers
- Welfare Agencies
- State Unemployment Agencies
- Social Security Administration
- Medical and Child Care Providers
- Veteran's Administration
- Retirement Systems
- Banks and other Financial Institutions
- Credit Providers and Credit Bureaus
- Utility Companies

**CONSENT:** I, \_\_\_\_\_, consent to allow HUD or the Agency listed above to request and obtain any information from and Federal, State, or local agency, organizations, business, or individual for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that the agencies that receive information under this consent form cannot use it to deny, reduce, or terminate assistance without first independently verifying the information obtained. In addition, I must be given the opportunity to contest those determinations.

This consent form expires 15 months after signed.

**Signatures:**

_____ Head of Household	_____ Date	_____ Social Security Number of Head of Household
_____ Spouse	_____ Date	_____ Social Security
_____ Other Household Member Over age 18	_____ Date	_____ Social Security
_____ Other Household Member Over age 18	_____ Date	_____ Social Security
_____ Other Household Member Over age 18	_____ Date	_____ Social Security

**Penalties for Misusing this Consent:**

HUD, the Agency, and any owner (or any employee of HUD, the Agency, or owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this form is restricted to the purposes cited above. Any person who knowingly or willfully requests, obtains, or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5000. Any applicant or participant affected by negligent disclosures of information may bring civil actions for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the Agency, or the owner responsible for the unauthorized disclosure or improper use.

# APPENDIX F

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APPENDIX F

Homeowner  
Name: \_\_\_\_\_

**HISTORIC AND ARCHITECTURAL ASSESSMENT FORM**

**Part A:** To be completed by the Inspector assigned to the case.

Notes: a) To be applied to each structure on property.

b) Exterior and interior of structure are to be considered.

1. Property Address: \_\_\_\_\_

2. Type of Structure: SFR

3. Proposed rehabilitation involves only interior work, with no externally visible evidence of the work.  Yes  No.

If "Yes", Historic Preservation review (HP review) is complete.

If "No", proceed:

4. Age of building \_\_\_\_\_ If less than 50 years old, stop here.

If building is at least 50 years old, Part "B" must be completed.

Prepared by: \_\_\_\_\_ N/A \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_ N/A \_\_\_\_\_ Date: \_\_\_\_\_

=====

**Part B:** To be completed if structure is 50+ years of age.

1. Gather information as applicable, from local government, public and private organizations, and other parties likely to have knowledge regarding type of construction, architectural style, and historic significance. Take pictures of building (Polaroid acceptable)

2. Submit above information (from #3 and #4) to the **SHPO**, and request consultation to determine if the building is eligible for listing in the NR. Based on this consultation, agreement was reached that:

- Data submitted to SHPO \_\_\_\_\_
- Date SHPO responded \_\_\_\_\_  
(If no response, proposed rehabilitation activities can proceed after 30 days.)

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

APPENDIX F

**FLOODPLAIN IDENTIFICATION\***

Case # \_\_\_\_\_

Name: \_\_\_\_\_

This certifies that the property located at \_\_\_\_\_  
(Address)

\_\_\_\_\_, California  is /  is not within a  
(City/County)

designated 100-year floodplain as shown on Flood Insurance Rate Map # \_\_\_\_\_ or

Flood Hazard Bounty Map # \_\_\_\_\_ approved by the Federal Emergency Management

Agency on \_\_\_\_\_. Flood insurance  will /  will not be required.

Prepared By: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Supervisor: \_\_\_\_\_  
(Signature)

Date: \_\_\_\_\_

Flood Insurance obtained from:

Agent: N/A

\*Submit completed form to HUD with each application.

(Revised: 4/24/2001)

# APPENDIX G

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Appendix G

	<p><b>City of Inglewood</b> <b>Community Development Block Grant (CDBG)</b> <b>Bi-Monthly Summary Report</b></p>	
<p>Community Development Block Grant Division One West Manchester Blvd, Suite 750 Inglewood, CA 90301 (310) 412-8844, Fax: (310) 330-5756</p>		

**AGENCY NAME:**

**REPORTING PERIOD:** (Please check one)

- Period 1
- Period 2
- Period 3

**CONTACT PERSON:**

**TELEPHONE NUMBER:**

**EMAIL ADDRESS:**

**PROJECT TITLE:** Minor Home Rehabilitation Program 2021-2022

**FISCAL YEARS:**

**Please Note: Bi-Monthly Reports are due fifteen (15) days after the end of the reporting period: (Period 1); (Period 2); (Period 3)**

1. **PROGRAM NARRATIVE SUMMARY:** Briefly describe program accomplishments and activities for the reporting period (i.e. number of homes completed; number of applications pending approval, number of applicants on the waiting list, etc.). Identify any difficulties encountered and note any changes in the staffing, program delivery, or activities.

City of Inglewood  
Minor Home Rehabilitation Program  
Bi-Monthly Report

2. **TOTAL NUMBER OF CLIENTS:** Summarize the total number of **NEW** projects completed during the reporting period:

3. **CLIENT INCOME CHARACTERISTICS DATA:** Summarize the total number of **NEW** clients served during the reporting period. Clients may be counted only *one* time regardless of the number of times that services were provided to the client:

Income Categories	Total Clients
<b>Extremely Low-Income</b> (30% or below median family Income)	
<b>Very Low-Income</b> (50% or below median family income)	
<b>Low-Income</b> (80% or below median family income)	

**Income Limits, Effective April 1, 2021**

Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
<b>1 Person</b>	\$24,850	\$41,400	\$66,250
<b>2 Person</b>	\$28,400	\$47,300	\$75,700
<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900

4. **AGE DATA:** List the total number of **NEW** household members in each age group with projects that were completed during the reporting period:

Years of Age	Total Clients
0-4	
5-10	
11-13	
14-18	
19-35	
36-49	
50-61	
62-79	
80+	

City of Inglewood  
Minor Home Rehabilitation Program  
Bi-Monthly Report

5. **FEMALE HEAD OF HOUSEHOLD DATA:** List the total number of **NEW** female head of households served during the reporting period:

Total number of female head of household served:	
--	--

6. **GENDER DATA:** List the total number of **NEW** female and male head of households served during the reporting period:

Sex	Total Clients
Female	
Male	

7. **RACIAL and ETHNICITY DATA:** For each racial category below, list the total number of **NEW** clients in each racial category served during the reporting period (totals must be cumulative):

Race/Ethnicity	Total Clients	Total Hispanics
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
Am. Indian/Alaskan Native & Black/African Am.		
Other Multi-Racial		
<b>Total Clients:</b>		

8. **PROGRAM MARKETING:** List the marketing source(s) (website, flyers, presentations or newspaper advertisement, etc.), publication/distribution dates, and total number of documents distributed during the reporting period.

**Attach copies of each publication to the bi-monthly report:**

Marketing Source	Date of Publication/Distribution	Total Number Distributed



City of Inglewood  
Minor Home Rehabilitation Program  
Bi-Monthly Report

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**10. PROGRAM ACTIVITY:** List the Activity data for those projects serviced during the reporting period:

	<b>Project Identification Number</b>	<b>Completed Home Rehabilitation Projects Activity</b> (Please List Street Addresses)	<b>Date Project Completed</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Underway</b> (Please List Address)	<b>Date Underway Project Began</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

City of Inglewood  
Minor Home Rehabilitation Program  
Bi-Monthly Report

**LEAD PAINT HAZARD ACTIVITY:**

- a. Please list the lead-based paint hazard activity data for those projects serviced during the reporting period.

<b>Applicable Lead Paint Requirement:</b>	<b>Number of Units</b>
Housing Constructed before 1978	
Exempt: Housing Constructed 1978 or later	
Exempt: No Paint Disturbed	
Otherwise Exempt	
<b>TOTAL:</b>	

- b. Please list the lead-based hazard remediation activities for those projects serviced during the reporting period.

<b>Lead Hazard Remediation Action</b>	<b>Number of Units</b>
<b>Lead Safe work Practices</b> (24 CFR 35.930(b)) – Project <i>Hard Costs</i> up to \$5,000	
<b>Interim Controls</b> (24 CFR 35.930 (c)) – Project <i>Hard Costs</i> between \$5,000 and \$25,000	
<b>Abatement</b> (24 CFR 35.930(d)) – Project <i>Hard Costs</i> exceeding \$25,000	
<b>Total:</b>	

11. **Contractors, Subcontractors, Laborers, Third-Party Vendors:** Please list the names and/or business names of the different providers of goods and services provided during the service period for projects completed during the reporting period.

<b>Names/Business Names</b>	<b>Services or Goods Provided</b>	<b>Total Number of Projects Served during the Reporting Period</b>
<i>ABC Termite</i>	<i>Termite Extermination</i>	3
<i>Acme Roofing</i>	<i>Roofing</i>	7
<i>Home Depot</i>	<i>Supplies</i>	7

City of Inglewood  
Minor Home Rehabilitation Program  
Bi-Monthly Report

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**CERTIFICATION:** I/We certify, to the best of my/our knowledge and belief, that the statements and data in this report are true, current, and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Prepared By:  
Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

**Report Reviewed and Approved for Submission By:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

---

Please submit reports to the City of Inglewood-CDBG Division, attention of Ms. Lori C. Jones, Grants Coordinator, at the following address:

**City of Inglewood**  
**Community Development Block Grant (CDBG) Division**  
One West Manchester Blvd, Suite 750  
Inglewood, CA 90301  
Attn: Lori C. Jones, Grants Coordinator

# APPENDIX H

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Appendix H

	<b>City of Inglewood</b> <b>Community Development Block Grant (CDBG)</b> <b>Quarterly Report</b>	
Community Development Block Grant Division One West Manchester Blvd, Suite 750 Inglewood, CA 90301 (310) 412-8844, Fax: (310) 330-5756		

**AGENCY NAME:**

**REPORTING PERIOD:** (Please check one)

- Period 1
- Period 2
- Period 3
- Period 4

**CONTACT PERSON:**

**TELEPHONE NUMBER:**

**EMAIL ADDRESS:**

**PROJECT TITLE:** Minor Home Rehabilitation Program 2021-2022

**FISCAL YEARS:**

**Please Note: Quarterly Reports are due fifteen (15) days after the end of the reporting period:  
(Period 1); (Period 2); (Period 3); (Period 4)**

1. **PROGRAM NARRATIVE SUMMARY:** Briefly describe program accomplishments and activities for the reporting period (i.e. number of homes completed; number of applications pending approval, number of applicants on the waiting list, etc.). Identify any difficulties encountered and note any changes in the staffing, program delivery, or activities.

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

2. **TOTAL NUMBER OF CLIENTS:** Summarize the total number of **NEW** projects completed during the reporting period:

3. **CLIENT INCOME CHARACTERISTICS DATA:** Summarize the total number of **NEW** clients served during the reporting period. Clients may be counted only *one* time regardless of the number of times that services were provided to the client:

Income Categories	Total Clients
<b>Extremely Low-Income</b> (30% or below median family Income)	
<b>Very Low-Income</b> (50% or below median family income)	
<b>Low-Income</b> (80% or below median family income)	

**Income Limits, Effective April 1, 2021**

Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
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<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900

4. **AGE DATA:** List the total number of **NEW** household members in each age group with projects that were completed during the reporting period:

Years of Age	Total Clients
0-4	
5-10	
11-13	
14-18	
19-35	
36-49	
50-61	
62-79	
80+	

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

5. **FEMALE HEAD OF HOUSEHOLD DATA:** List the total number of **NEW** female head of households served during the reporting period:

Total number of female head of household served:	
--	--

6. **GENDER DATA:** List the total number of **NEW** female and male head of households served during the reporting period:

Sex	Total Clients
Female	
Male	

7. **RACIAL and ETHNICITY DATA:** For each racial category below, list the total number of **NEW** clients in each racial category served during the reporting period (totals must be cumulative):

Race/Ethnicity	Total Clients	Total Hispanics
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
Am. Indian/Alaskan Native & Black/African Am.		
Other Multi-Racial		
<b>Total Clients:</b>		

8. **PROGRAM MARKETING:** List the marketing source(s) (website, flyers, presentations or newspaper advertisement, etc.), publication/distribution dates, and total number of documents distributed during the reporting period.

***Attach copies of each publication to the bi-monthly report:***

Marketing Source	Date of Publication/Distribution	Total Number Distributed



City of Inglewood  
 Minor Home Rehabilitation Program  
 Quarterly Report

**10. PROGRAM ACTIVITY:** List the Activity data for those projects serviced during the reporting period:

	<b>Project Identification Number</b>	<b>Completed Home Rehabilitation Projects Activity</b> (Please List Street Addresses)	<b>Date Project Completed</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Underway</b> (Please List Address)	<b>Date Underway Project Began</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

**LEAD PAINT HAZARD ACTIVITY:**

- a. Please list the lead-based paint hazard activity data for those projects serviced during the reporting period.

<b>Applicable Lead Paint Requirement:</b>	<b>Number of Units</b>
Housing Constructed before 1978	
Exempt: Housing Constructed 1978 or later	
Exempt: No Paint Disturbed	
Otherwise Exempt	
<b>TOTAL:</b>	

- b. Please list the lead-based hazard remediation activities for those projects serviced during the reporting period.

<b>Lead Hazard Remediation Action</b>	<b>Number of Units</b>
<b>Lead Safe work Practices</b> (24 CFR 35.930(b)) – Project <i>Hard Costs</i> up to \$5,000	
<b>Interim Controls</b> (24 CFR 35.930 (c)) – Project <i>Hard Costs</i> between \$5,000 and \$25,000	
<b>Abatement</b> (24 CFR 35.930(d)) – Project <i>Hard Costs</i> exceeding \$25,000	
<b>Total:</b>	

11. **Contractors, Subcontractors, Laborers, Third-Party Vendors:** Please list the names and/or business names of the different providers of goods and services provided during the service period for projects completed during the reporting period.

<b>Names/Business Names</b>	<b>Services or Goods Provided</b>	<b>Total Number of Projects Served during the Reporting Period</b>
<i>ABC Termite</i>	<i>Termite Extermination</i>	3
<i>Acme Roofing</i>	<i>Roofing</i>	7
<i>Home Depot</i>	<i>Supplies</i>	7

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

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**CERTIFICATION:** I/We certify, to the best of my/our knowledge and belief, that the statements and data in this report are true, current, and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Prepared By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

**Report Reviewed and Approved for Submission By:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

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Please submit reports to the City of Inglewood-CDBG Division, attention of Ms. Lori C. Jones, Grants Coordinator, at the following address:

**City of Inglewood**  
**Community Development Block Grant (CDBG) Division**  
One West Manchester Blvd, Suite 750  
Inglewood, CA 90301  
Attn: Lori C. Jones, Grants Coordinator

# APPENDIX I

---

Appendix I

	<p><b>City of Inglewood</b> <b>Community Development Block Grant (CDBG)</b> <b>Year - End Summary Report</b> <b>End of Service Period</b> Community Development Block Grant Division One West Manchester Blvd, Suite 750 Inglewood, CA 90301 (310) 412-8844, Fax: (310) 330-5756</p>	
---	--	---

**AGENCY NAME:**

**REPORTING PERIOD:** (Please check one)

End of Service Period

**CONTACT PERSON:**

**TELEPHONE NUMBER:**

**EMAIL ADDRESS:**

**PROJECT TITLE:** Minor Home Rehabilitation Program

**FISCAL YEARS:**

Please Note: Year-End/End of Service Period Report is due thirty (30) days after the end of the service period:

1. **PROGRAM NARRATIVE SUMMARY:** Briefly describe program accomplishments and activities for the reporting period (i.e. number of homes completed; number of applications pending approval, number of applicants on the waiting list, etc.). Identify any challenges or difficulties encountered that impacted program delivery and note any changes in the staffing, program delivery, or activities.

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

2. **TOTAL NUMBER OF CLIENTS:** Summarize the total number of projects completed during the reporting period:

3. **CLIENT INCOME CHARACTERISTICS DATA:** Summarize the total number of clients served during the reporting period. Clients may be counted only *one* time.

Income Categories	Total Clients
<b>Extremely Low-Income</b> (30% or below median family Income)	
<b>Very Low-Income</b> (50% or below median family income)	
<b>Low-Income</b> (80% or below median family income)	

**Income Limits, Effective April 1, 2021**

Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
<b>1 Person</b>	\$24,850	\$41,400	\$66,250
<b>2 Person</b>	\$28,400	\$47,300	\$75,700
<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900

4. **AGE DATA:** List the total number of household members in each age group with projects that were completed during the reporting period:

Years of Age	Total Clients
0-4	
5-10	
11-13	
14-18	
19-35	
36-49	
50-61	
62-79	
80+	

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

5. **FEMALE HEAD OF HOUSEHOLD DATA:** List the total number of female head of households served during the reporting period:

Total number of female head of household served:	
--	--

6. **GENDER DATA:** List the total number of head of households served during the reporting period:

Sex	Total Clients
Female	
Male	
<b>Total:</b>	

7. **RACIAL and ETHNICITY DATA:** For each racial category below, list the total number of clients in each racial category served during the reporting period (totals must be cumulative):

Race/Ethnicity	Total Clients	Total Hispanics
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
Am. Indian/Alaskan Native & Black/African Am.		
Other Multi-Racial		
<b>Total Clients:</b>		

8. **PROGRAM MARKETING:** List the marketing source(s) (website, flyers, presentations or newspaper advertisement, etc.), publication/distribution dates, and total number of documents distributed during the reporting period.

***Attach copies of each publication to the bi-monthly report:***

Marketing Source	Date of Publication/Distribution	Total Number Distributed



City of Inglewood  
 Minor Home Rehabilitation Program  
 Year End Summary Report

**10. PROGRAM ACTIVITY:** List the total activity data for the projects serviced during the reporting period:

	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Completed</b> (Please List Street Addresses)	<b>Date Project Completed</b>
1.			
2.			
3.			
4.			
5.			
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27.			
28.			
29.			
30.			

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

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	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Underway (Please List Address)</b>	<b>Date Underway Project Began</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

City of Inglewood  
 Minor Home Rehabilitation Program  
 Year End Summary Report

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**LEAD PAINT HAZARD ACTIVITY:**

- a. Please list the lead-based paint hazard activity data for the total number of projects serviced during the reporting period.

<b>Applicable Lead Paint Requirement:</b>	<b>Number of Units</b>
Housing Constructed before 1978	
Exempt: Housing Constructed 1978 or later	
Exempt: No Paint Disturbed	
Otherwise Exempt	
<b>TOTAL:</b>	

- b. Please list the total number of lead-based hazard remediation activities for projects serviced during the reporting period.

<b>Lead Hazard Remediation Action</b>	<b>Number of Units</b>
<b>Lead Safe work Practices</b> (24 CFR 35.930(b)) – Project <i>Hard Costs</i> up to \$5,000	
<b>Interim Controls</b> (24 CFR 35.930 (c)) – Project <i>Hard Costs</i> between \$5,000 and \$25,000	
<b>Abatement</b> (24 CFR 35.930(d)) – Project <i>Hard Costs</i> exceeding \$25,000	
<b>TOTAL:</b>	



City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

---

**CERTIFICATION:** I/We certify, to the best of my/our knowledge and belief, that the statements and data in this report are true, current, and correct.

Prepared By:  
Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Report Reviewed and Approved for Submission By:**

Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

Please submit reports to the City of Inglewood-CDBG Division, attention of Ms. Lori C. Jones, Grants Coordinator, at the following address:

**City of Inglewood**  
**Community Development Block Grant (CDBG) Division**  
One West Manchester Blvd, Suite 750  
Inglewood, CA 90301  
Attn: Lori C. Jones, Grants Coordinator

## **EXHIBIT 2**

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**RFP-0177 DUE MARCH 17, 2022**

**CITY OF INGLEWOOD, CALIFORNIA**



**REQUEST FOR PROPOSAL**

**RFP-0177**

**MINOR HOME REHABILITATION PROGRAM**

**PROPOSALS DUE: THURSDAY, MARCH 17, 2022 AT 11:00 A.M.**

**AT THE PURCHASING AND CONTRACT SERVICES DIVISION  
LOCATED ON THE 8<sup>TH</sup> FLOOR OF INGLEWOOD CITY HALL  
ONE MANCHESTER BLVD.  
INGLEWOOD, CA 90301**

**Contact Person During Bid Period:**

**Bianca Plascencia, Purchasing and Contract Services Manager**

**(310) 412-5266**

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**REQUEST FOR PROPOSAL**  
**CITY OF INGLEWOOD**  
**INVITATION TO SUBMIT PROPOSAL NO. 0177**

The City of Inglewood invites and will receive proposals duly filed herein for the furnishing of qualified “**Minor Home Rehabilitation Program,**” as specified in this document.

Each proposal shall be submitted and completed in all particulars and must be enclosed in a sealed package addressed to the City of Inglewood, Purchasing and Contract Services Division 8<sup>th</sup> floor, One Manchester Blvd., Inglewood, CA 90301 with the designation of the project, Professional Auditing Services appearing thereon.

Proposals will be opened in public on **Thursday, March 17, 2022 at 11:00 A.M.** in the Purchasing and Contract Services Division and will be announced then and there to all persons present. Specifications and other proposal documents for the above service are on the City’s PlanetBids portal.

The City reserves the right to waive any irregularity within any proposal, and to take proposals under advisement for a period of ninety (90) calendar days from and after the date proposals are opened and announced.

The following conditions and terms apply:

- 1) The City Council reserves the right to reject any or all proposals.
- 2) Attached are detailed specifications and conditions for proposal submission.
- 3) You must execute your contract within ten (10) days after the City mails it. If the contract is not executed within ten (10) days, the City reserves the unilateral right to cancel it.
- 4) If any provision of the contract is violated, the City, after suitable notice, may cancel the contract and make arrangements to have the products and or services supplied by others. Any extra cost to the City will be paid by the vendor.
- 5) Proposals may be obtained from the Purchasing and Contract Services Division located on the 8th floor of City Hall, or call (310) 412-5266.
- 6) All proposals with pricing must be for specific amounts. Any attempt to qualify prices with an ‘escalation clause’ or any other method of making a price variable, is unacceptable. Proposal shall be valid for ninety (90) calendar days from and after the date proposals are opened and announced.
- 7) The City reserves the right to add or subtract quantities and/or services based on the unit prices/unit lump sums so indicated as its budgetary needs may require.
- 8) All request for proposal documents can please be located on the City of Inglewood’s Planet Bids Portal. <https://www.planetbids.com/portal/portal.cfm?CompanyID=45619>

Date: \_\_\_\_\_ / \_\_\_\_\_ / 2022

\_\_\_\_\_  
Artie Fields, City Manager

**QUESTIONS CONCERNING PROPOSAL REQUIREMENTS**

All questions and issues related to proposal requirements or information expected for each statement package should be made on City's Planet Bids portal:

<https://www.planetbids.com/portal/portal.cfm?CompanyID=45619>

The City of Inglewood will only communicate with one person per proposal. It is the responsibility of the Proposer to ensure that the City has the correct name and address of the contact person, phone number, and e-mail address. All changes to instructions to this RFP will be done through written addendum and posted on the City's Planet Bids portal.

**NO QUESTIONS WILL BE RECEIVED OR RESPONDED TO AFTER  
WEDNESDAY, MARCH 9, 2022 BY 11:00 A.M.**

**SUBMISSION OF PROPOSAL**

Written responses to the RFP must be prepared as specified in Section 3. RFP Submittal Requirements. Respondents should follow the Proposer Checklist on page 18 to ensure that all requirements are met. No changes to responses may be made after the submittal deadline.

- One original and (3) three copies for **Minor Home Rehabilitation Program**. **ATTN: Bianca Plascencia, received on or before, but no later than Thursday, March 17, 2022 at 11:00 A.M. at the Purchasing and Contract Services Division.** Any responses received after the specified date and time will not be considered by the City.
- Original responses and package copy shall be enclosed in a sealed package with the name and address of the respondent in the upper left-hand corner and marked "**Minor Home Rehabilitation Program.**"
- The response shall be signed by an officer, or officers, authorized to execute legal documents on behalf of the respondent and submitted to:

Bianca Plascencia  
8<sup>th</sup> Floor Purchasing and Contract Services Division  
City of Inglewood  
One Manchester Blvd.  
Inglewood, CA 90301

**The City reserves the right to waive informalities in any proposal, to reject any or all proposals, to reject one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations, and to make awards to the proposer whose proposal is most beneficial to the needs of the City. Each firm is responsible for the timely delivery of any response. Additionally, the City will not be responsible for the delivery of any proposal to the wrong address or City department. Each firm assumes all risks and/or consequences of an incorrect delivery or an untimely delivery of a proposal.**

**RFP-0177**

**SCOPE OF SERVICES**

**MINOR HOME REHABILITATION PROGRAM**

**SECTION 1. INTRODUCTION**

**CITY INFORMATION**

The City of Inglewood, incorporated on February 8, 1908, is a charter city which operates under the council/manager form of government. The City has a land area of 9.1 square miles and the 2020 Census population count is 107,762. The City has its own Housing Authority and Police Department, but contracts with the Los Angeles County Fire Department for fire safety services.

As a gateway to major commercial centers of the United States and internationally, Inglewood is in a unique position on the shore of the Pacific Rim. The Los Angeles International Airport is directly accessible by Inglewood's Century Boulevard - one of the City's busiest commercial corridors. Proximity to the airport, the Los Angeles and Long Beach Harbors, and four major freeways facilitate both domestic and international trade.

**MINOR HOME REHABILITATION PROGRAM**

The City of Inglewood is seeking proposals from qualified firms to manage and implement the Minor Home Rehabilitation Program. The Program is funded through the U.S. Department of Housing and Urban Development (HUD) with Community Development Block (CDBG) funds. The Program's objective is to assist low-income, single-family homeowners with incomes at or below 80 percent of the area median income (AMI). Approximately, \$500,000 in CDBG funds has been allocated and the City anticipates the completion of 25-30 projects by September 30, 2023, the end of the City's fiscal year.

The City intends to enter into a two-year agreement with the selected firm. The contract will be reevaluated after six (6) months into the Agreement to assess the level and quality of service provided under the terms of the Agreement. At the sole discretion of the City, the selected firm may be offered a maximum two-year contract extension in one year increments, depending on available federal funding. Funding permitting, the City expects to allocate \$500,000 each fiscal year.

The full list of services is listed in the scope of services section of this document.

**SECTION 2. SCOPE OF WORK**

The goal of the Program is to improve the quality of life for low-income residents, including people with disabilities and the elderly. The Program provides assistance in the form of a grant of up to \$15,000 for minor home repairs and improvements concentrating on health and safety code repairs. Applicant's household income cannot exceed 80% of the area median income (AMI), adjusted for household size. The Consultant Team will be responsible for meeting all federal, state, county and

local regulations and for carrying out all the activities as specified in the Minor Home Repair Program Guidelines are attached as Exhibit A.

The listed activities below provide a general summary of the required duties expected of the Consultant Team.

**Manual:** The Consultant Team shall evaluate the City's existing program guidelines and shall recommend program changes which meet federal, state, county and local regulations.

**Bilingual Capabilities:** The Program requires bilingual (English-Spanish) capabilities, and the selected Consultant Team will be required to provide bilingual staff.

**Waiting List:** The Consultant Team shall maintain a waiting list.

**Applications:** The Consultant Team must provide the applicants with the option to submit applications by mail or electronically.

1. Electronic applications must be fillable and emailed or otherwise electronically submitted to the Contractor without having to print-out the document.
2. Residents must be allowed to provide all required supporting documents by mail, email, or uploaded, electronically.

**Phone Calls:** The Consultant Team shall provide applicants contact information for general and specific questions regarding the program. Calls from program applicants shall be returned within one (1) business day.

**Project File:** The Consultant Team must create all project files that meet applicable HUD requirements regarding maintenance of documentation for monitoring and auditing purposes.

**Review and Approval:** Pursuant to federal, state and local regulations, the Consultant Team shall review client applications to determine the applicant's financial and eligibility status. The Consultant Team shall also perform the following:

1. Send an email to the applicant within five (5) business days from the date of receipt by the Consultant Team.
2. Obtain all required documents of income including; pay stubs, social security, pensions, rent, etc.
3. Obtain water bills, grant deeds, property tax bills: title report, property profile or other proof of property ownership.
4. Prepare all required documents and contracts on City of Inglewood approved forms.

**City Inspection:** Before any work is done, the City must inspect the property to ensure there are no code violations. The City shall provide confirmation, in writing, of any existing code violations, to the Consultant Team.

**COVID-19 Restrictions:** Due to COVID-19, the improvements may be limited to exterior projects.

**COVID-19 Vaccine Requirement For Consultant And Its Officers, Employees, Volunteers And Subcontractors:** Consultants and any persons performing services on its behalf in the performance of this Agreement are required to be fully vaccinated against COVID-19 if such person either (1) interacts in-person with City employees; (2) is assigned to work on City property; or (3) comes into contact with the public during the course of work on behalf of the City. "Fully vaccinated" means 14 days or more have passed since an individual has received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson). The definition of "fully vaccinated" is subject to change based on guidance from relevant federal and state public health agencies. The City may consider a violation of this (Article/Provision/RFB/RFP) a material breach.

**Environmental Review:** All properties assisted under the Minor Home Rehabilitation Program will be subject to an Environmental Review by the City prior to rehabilitation commencing. The Consultant Team will be required to prepare the information necessary to meet the environmental review per 24 CFR Part 58.

**Construction/Rehabilitation:** Construction or rehabilitation paid with CDBG funds will be required to conform to 24 CFR 570.603 of the CDBG regulations, as applicable, and any other federal or state requirements which are associated with the grant funding source.

This includes but is not limited to:

1. Conduct property inspections to identify requested work eligibility under the program guidelines, as well as meeting the City of Inglewood's Building and Planning Division's requirements.
2. Prepare work write-ups, describing necessary repairs and improvements including line item cost estimates.
3. Obtain required signatures, put out to bid, perform bid opening, evaluate bids, etc.
4. Keep updated Contractors' list with all eligible requirements including proof of insurance, verification with the Excluded Parties Listing System, and California Contractor's State License Board.
5. Ensure professional plans are submitted to the Building and Safety Division and that contractors obtain permits.
6. Conduct pre-construction conferences with the contractor and homeowner.
7. Monitor construction for compliance with the program requirements and assure that all work is professional and includes proper materials.

**Historic Preservation:** Obtain historic preservation clearance from the State Historic Preservation Officer (SHPO).

**Photos:** Take "before and after" photos including work to be done, work in progress, and completed improvements.

**Property Standards:** All rehabilitated projects funded with Rehabilitation funds must meet local zoning ordinances and building codes.

**Energy Efficiency:** Plans should incorporate energy efficiency measures through materials, heating, ventilation and air conditioning (HVAC) systems, design, and site orientation where feasible.

**Lead-Based Paint:** If a rehabilitated home was originally placed into service prior to January 1, 1978, rehabilitation must comply with HUD lead-based paint rules (24 CFR Part 35 and 24 CFR Section 570.608). A lead-based paint risk assessment for lead based paint hazards shall be conducted, and rehabilitation work must be done by contractors meeting the requirements of the HUD rule and the EPA Renovation, Repair and Painting rule.

**Final Inspection:** Conduct final inspections and close out project with all necessary lien releases, notices of completion, and the Building Inspector's final inspection and/or sign-off. Interface with the City's Building and Planning Division, as necessary.

**Final Documentation:** Prepare and provide (with required signatures) all payment requests to City staff, including lien releases, change orders, and all other required documents. The Consultant Team shall ensure that property warranty information is provided to the homeowner.

**Reporting:** The Consultant Team must provide a weekly report on the status of all applications to the City Department with oversight of the program, in the form and fashion, as requested.

The Consultant Team will be expected to collect and report information for each application about the uses of funds at least monthly, including, but not limited to:

1. Property location and activity
2. Funds budgeted and expended (all funding sources)
3. Beginning and ending dates of activities
4. Other data needed to support HUD reporting requirements and performance measures
5. Income, family composition and other information required to document eligibility

### **SECTION 3. RFP SUBMITTAL REQUIREMENTS**

#### **A. STATEMENT OF QUALIFICATIONS (SOQ)**

The SOQ must fully describe the proposer's ability to prepare the required documents and perform other duties as more fully described in the, Scope of Services. It must contain:

1. **Consultant Team.** An organizational chart showing lines of responsibility, as well as a list of team members, their relevant qualifications, and their duties as part of the team. This portion should include any sub consultants proposed. Please include applicable professional registrations, licenses, and certifications including state and year for each team member.

2. **References.** For each key team member, provide at least three (3) client references (names and current phone numbers) from similar recent work (previous three years). Include a brief description of each project associated with the reference and the role of the respective team member.

#### **B. COMMITMENT**

Commitment that the key team members have been with the firm for a significant amount of time to indicate or reasonably appear that they will be with the respective firm for the term of the agreement. Replacement of key team members will not be permitted without prior consultation and approval by the City.

#### **C. WORK PLAN/SCOPE OF SERVICES**

A description of the approach to the services involved, demonstrating methodology. The description must clearly identify and describe any additional actions beyond the Scope of Services that the Consultant Team may recommend to meet federal, state, county and local requirements.

#### **D. SCHEDULE**

Provide a general schedule for the anticipated completion of a rehabilitation project. Provide a plan on how the firm will ensure the expenditure of funds by the end of the Contract period to meet CDBG guidelines. **No less than five (5) minor home rehabilitation projects must be completed 90 days after notice to proceed and the billings be submitted to the City for reimbursement.**

#### **E. COMPENSATION/FEE SCHEDULE**

The Consultant Team shall provide the administrative cost percentage per project that shall not be exceeded. All administrative fees shall be covered via CDBG funds. The Consultant Team shall provide a breakdown of the fees charged per task that comprise the percentage. Please note that CDBG guidelines state that no more than 15% of the grant funds can be used for administrative costs.

This agreement is subject to the award and availability of HUD CDBG funding to the City. The City has the right to terminate or suspend the agreement if CDBG funding becomes unavailable.

#### **F. ADDITIONAL INFO**

Any additional information that would reflect the proposer ability to provide the services described in this RFP.

#### **SECTION 4. CONSULTANT EVALUATION AND SELECTION**

The City may create a panel composed of relevant City staff to evaluate and rank each proposal using the evaluation criteria listed below. The City reserves the right to invite firms for an interview to further assess competence.

- Satisfaction of previous clients (20 points)
- Qualifications and experience of key team members (20 points)

- Compensation (20 points)
- Quality control assurance (20 points)
- Schedule and capacity to provide qualified personnel (20 points)

## **AGENCY POLICIES**

The following Agency policies shall apply to this RFP process.

### **A. NON-BINDING**

This RFP evaluation and selection process shall in no way create or constitute a binding contract, agreement or offer of any kind between the City and the proposing firm. If the City selects a contractor firm pursuant to this RFP process, legal rights and obligations shall only arise upon the execution of a contract or agreement by all parties thereto, and such legal rights and obligations of each party shall only be those rights and obligations specifically set forth in the contract or agreement and any other documents specifically referred to therein.

### **B. COST AND EXPENSE**

Each proposer submitting a Proposal in response to this RFP agrees that the City shall have no financial responsibility for the costs incurred in responding to this RFP, and that all costs shall be the sole responsibility of the proposer. In addition, each proposer agrees that all documentation and materials submitted in response to this RFP shall remain the property of the City, except for confidential financial information specifically identified by the proposing firm.

### **C. RIGHT TO ALTER**

The City reserves the right to alter or postpone the evaluation and selection process in any way for its convenience at any time. City may also choose to waive any defects in any submittal, issue a new RFP, select any Consultant Team(s) it deems appropriate, or reject all submittals at its sole and absolute discretion.

### **D. ADDENDA**

Any Addenda to this RFP shall be effectuated in writing and issued by the City. If this RFP is amended, then all terms and conditions which are not modified shall remain unchanged. All Consultant Teams shall acknowledge receipt of any Addenda to this RFP by including a statement in their submittal cover letter, that they have received the Addendum.

### **E. CONFIDENTIALITY**

All documents submitted to the City are subject to the California Public Records Act and the federal Freedom of Information Act, unless statutorily exempt from disclosure, will be available to members of the general public upon request.

In the event the City is required to defend an action under the California Public Records Act or the Freedom of Information Act (FOIA) with regard to a request for disclosure of any confidential Proposal documents, the Consultant Team agrees to defend, indemnify, and hold the City harmless

from all costs and expenses related to such defense, including reasonable attorney's fees of the City arising therefrom.

**F. CONTACT WITH CITY COUNCIL MEMBERS AND OR CITY EMPLOYEES**

Except as otherwise provided herein, during the period immediately following the release of this RFP, and continuing until a top-ranked Consultant Team has been selected, Consultant Team members, agents, and employees shall not contact any City Council members or City employees regarding this RFP. Unauthorized City Council Member or City employee contact may result in the immediate disqualification of any Consultant Team from consideration.

**RFP-0177**

**GENERAL PROVISIONS**

*The City of Inglewood, California, hereby extends an invitation to submit a proposal, in accordance with this Request for Proposal (RFP), to provide labor and or and materials for the designated service. Furthermore the City makes no representation that any agreement will be awarded to any firm responding to this request. There are no expressed or implied obligations for the City to reimburse responding firms for any expense incurred in preparing a proposal in response to this request. All information submitted to the City of Inglewood shall become property of the City and will be returned to the proposer at the City's option.*

**SECTION 1. PRICES**

The proposal shall state the total cost for the service as specified in this document. Hourly rates are firm and fixed for the duration of this agreement.

**SECTION 2. PAYMENT TERMS**

Standard payment shall be made by City check.

**SECTION 3. INGLEWOOD BUSINESS TAX CERTIFICATE**

The vendor agrees to at all times during the performance of the agreement, to obtain and maintain an Inglewood City Business Tax Certificate. The purchase of said Certificate must be made prior to the purchase of product or rendering services and a copy said Certificate must be forwarded to the Purchasing and Contract Services Division.

**SECTION 4. SALES TAX**

The City of Inglewood is subject to the payment of sales tax. All suppliers will be required to include in your proposal/price quote the City of Inglewood sales tax rate of 10%. If a proposer fails to include the City's sales tax rate in their bid, the City will add the 10% amount to the proposal for evaluation purposes.

**SECTION 5. INSURANCE REQUIREMENTS**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

- A. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- B. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if the Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$2,000,000 per accident for bodily injury and property damage.
- C. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- D. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

#### **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

##### ***Additional Insured Status***

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

##### ***Primary Coverage***

For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers,

officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

***Waiver of Subrogation***

The Contractor hereby grants to the City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. The Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City.

***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

***Verification of Coverage***

The Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them.

**SECTION 6. INDEMNIFICATION**

Vendor shall indemnify, defend and hold harmless the City and its officers, officials, agents employees, and volunteers (collectively "Indemnities") from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of work described herein, caused in whole or in part by any negligent act or omission of the vendor's subcontractor or anyone directly or indirectly employed by any of them or anyone for whose act they may be liable, except where caused by the active, sole negligence, or willful misconduct of the Indemnities.

If any action or proceeding is brought against Indemnities by reason of any act of the matters against which vendor has agreed to indemnify Indemnities as provided above, vendors, upon notice from City, shall defend Indemnities at vendor's expense by counsel acceptable to City, such acceptance not to be unreasonably withheld.

**SECTION 7. "OR EQUAL" CLAUSE**

Whenever a material, article, or piece of equipment is identified in the specifications or on the plans by reference to manufacturers' or vendors' names, trade names, catalogue numbers, etc., it is intended merely to establish a standard; and any materials, article, or equipment of other manufacturers and vendors which will perform adequately in the duties imposed by the general design will be considered equally acceptable provided the material, article, ore equipment so proposed is, in the opinion of the City of equal substance and function. Said materials, articles or equipment shall not be purchased or installed by the Contractor without the City's written approval.

**SECTION 8. NON-DISCRIMINATION**

California State Labor Code §1735: Discrimination in Employment Because of Race, Color, etc. No discrimination shall be made in the employment of persons working on behalf of or as an agent for the City of Inglewood because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, or any other legally protected class except as provided in Section 12940 of the Government Code, and every vendor for the City of Inglewood violating this section is subject to all the penalties imposed for a violation of this chapter.

**SECTION 9. AWARD OF PROPOSAL**

Award of contract will be based on the proposal that meets all of the specified requirements.

**SECTION 10. EXECUTION OF AGREEMENT**

A proposer to whom award is made shall furnish all services in accordance with the provisions hereof and within the time stated in the proposal. If proposer to whom an award is made fails or refuses to enter into the contract as herein provided or to conform to any of the stipulated requirements in connection therewith, an award may be made to the proposer whose proposal is next most acceptable to the City. Such proposer shall fulfill every stipulation embraced herein as if he/she were the party to whom the first award was made. A corporation to which an award is made will be required, before the contract is finally executed, to furnish evidence of its corporate existence, of its rights to do business in California.

**SECTION 11. TERMINATION OF AGREEMENT**

The City may terminate the contract at its own discretion or when conditions encountered make it impossible or impracticable to proceed, or when the City is prevented from proceeding with the contract by law, or by official action of a public authority.

**SECTION 12. RIGHT OF CITY TO WITHHOLD PAYMENT**

- a. Defective materials not remedied in accordance with provisions of specifications;
- b. Claims or liens filed or reasonable evidence indicating probable filing of claims or liens, whenever the City shall, in accordance herewith, withhold any monies otherwise due the vendor. Written notice of the amount withheld and the reasons therefore shall be given the vendor, and, when the vendor shall remove the grounds for such withholding, the City will pay to the vendor, within thirty-five (35) calendar days, the amount so withheld.

**SECTION 13. COST OF PROPOSAL**

The proposer must present a concise list of the scope of services and the work products that the firm proposes to provide.

Expenses such as travel, postage, reproduction and related costs necessarily incurred by proposer are to be reflected. Such expenses will not be eligible for reimbursement unless approved by the City in advance. Any costs incurred by Contractor which are not specifically provided for herein shall be the sole expense of the Contractor. Any omissions or ambiguities will be construed most favorable to the City.

**SECTION 14. PROPOSAL PREPARATION COST**

The Proposer shall pay for all costs associated with a proposal preparation. The City shall not pay for or reimburse any costs relating to the proposal preparation.

**SECTION 15. CHOICE OF LAW AND VENUE**

This agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles, California.

**SECTION 16. ADDENDUMS (REVISIONS TO THIS DOCUMENT)**

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by Addendum. Any Addendum will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL ADDENDA WILL BE ISSUED ON THE CITY OF INGLEWOOD "BID OPPORTUNITIES (PLANET BIDS)" WEB PAGE. CLICK ON THE PROFESSIONAL AUDITING SERVICES LISTED ON THE COVER PAGE OF THIS DOCUMENT.

TO ACCESS ADDENDA USE THE FOLLOWING WEB PAGE ADDRESS:

<https://www.planetbids.com/portal/portal.cfm?CompanyID=45619>

There are no designated dates for release of addenda. Therefore, interested proposers should check the Purchasing "Bid Opportunities (Planet Bids)" webpage on a daily basis. Vendors with no access to the internet should call the Purchasing and Contract Services Division to inquire about any issued addendums. It is the vendor's responsibility to either check the city website or call the Purchasing and Contract Services Division to obtain any addendums.

**The City encourages vendors to send a signed copy of each addendum with your proposal. If no signed addendum is returned with your quotation, the City will assume that all pricing submitted includes any and all costs associated with any addendums issued.**

Answers to questions that do not require an addendum will also be posted on the City's Planet Bids portal.

#### **SECTION 17. DURATION OF AGREEMENT**

This agreement is for a two years with the option to extend two additional years in one year increments.

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RFP-0177

**PROPOSER CHECKLIST**

**BEFORE SUBMITTING YOUR PROPOSAL, HAVE YOU PROPERLY COMPLETED THE FOLLOWING?**

**Please Check  
Here**

**1. SUBMITTAL REQUIREMENTS:**

- a. Have you completed and submitted all of the items listed in Section 4. RFP Submittal Requirements on page 9?

\_\_\_\_\_

**2. PROPOSAL:**

- a. Have you responded to the proposed scope of work?  
b. Is the proposal properly signed and dated?  
c. If the proposal is being submitted by a corporation, is the corporate seal affixed to the proposal?  
d. Have you submitted all requirements per this Request for Proposal?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**3. CONTRACT COMPLIANCE:**

- a. Have you completed and signed the Declaration of the Proposer?  
b. Have you completed the Extension of Contract to other Public Agencies?  
c. Have you completed and signed the Non-Collusion Declaration?  
d. Have you examined and understand the requirements and forms to be furnished on the project?

\_\_\_\_\_

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**4. BUSINESS TAX CERTIFICATE:**

- a. Are you aware of General Provisions Section 3, entitled Inglewood Business Tax Certificate?

\_\_\_\_\_

**REQUEST FOR PROPOSALS**

**DECLARATION OF THE PROPOSER**

I declare, under penalty of perjury under the laws of the State of California, that I am an authorized agent or officer of the organization submitting this proposal and in such capacity I am empowered to submit this proposal on behalf of (organization):

\_\_\_\_\_

I also verify that all information submitted and contained herein is true and correct to the best of my knowledge and belief.

BY:                      Signature: \_\_\_\_\_  
                                 Printed Name: \_\_\_\_\_  
                                 Position/Title: \_\_\_\_\_  
                                 Date of Execution: \_\_\_\_\_

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**REQUEST FOR PROPOSALS**

**EXTENSION OF CONTRACT TO OTHER PUBLIC AGENCIES**

The prices, terms, and conditions of this proposal may be extended to other governmental agencies at the mutual agreement of both the city and awarded vendor. All requirements of the specifications, purchase orders, invoices, and payments with other agencies would be directly with the successful contractor. The City of Inglewood does not warrant any additional use of the contract by such agencies. The vendor's response as requested below will in no way affect the City of Inglewood's consideration of this proposal.

Please indicate if this quote will be extended to other public agencies, and the length of time it will remain in effect from the opening date of this proposal.

Yes \_\_\_\_\_ No \_\_\_\_\_ Length of time \_\_\_\_\_ Days/Months

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**REQUEST FOR PROPOSALS  
RFP-0177**

**NON-COLLUSION DECLARATION**

The undersigned hereby declares and says:

I am the \_\_\_\_\_ of \_\_\_\_\_, the party making the foregoing bid. The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

(Full description of contract):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_ [date], at \_\_\_\_\_ [city], \_\_\_\_\_ [state].

\_\_\_\_\_  
Signature of Officer or Authorized Agent

**REQUEST FOR PROPOSALS**

**RFP-0177**

**NO PROPOSAL FORM**

**TO ALL PROPOSERS:**

IF YOU **DO NOT** INTEND TO SUBMIT A PROPOSAL FOR THIS PROJECT, PLEASE INDICATE BELOW AND RETURN **IMMEDIATELY** TO THE PURCHASING AND CONTRACTS SERVICES DIVISION OF THE CITY OF INGLEWOOD.

\_\_\_\_\_ THE FIRM BELOW CANNOT PROVIDE THE SERVICES AS SPECIFIED,  
PLEASE CHANGE THE CLASSIFICATION OF OUR FIRM TO THE FOLLOWING:

\_\_\_\_\_

\_\_\_\_\_ THE FIRM BELOW CANNOT SUBMIT A PROPOSAL AT THIS TIME BECAUSE  
OF THE FOLLOWING: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ THE FIRM BELOW IS NOT INTERESTED IN BEING ON THE CITY OF  
INGLEWOOD VENDOR LIST, PLEASE REMOVE OUR NAME

**RFP NUMBER:** \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Name of Individual: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A" MINOR HOME REPAIR PROGRAM GUIDELINES**

**EXHIBIT "B" SAMPLE AGREEMENT**

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**AGREEMENT NO.:** \_\_\_\_\_

This agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the CITY OF INGLEWOOD, a municipal corporation and charter city (the "CITY" and/or "GRANTEE") and the INSERT CONTRACTOR'S NAME (the "SUBRECIPIENT"), with a California license number of XXXXX, a Contractors State License Board of XXXXX, a California State Public Works Registration number of XXXXX, a Federal Employment Identification Number of XXXXX, a unique entity identifier of NUMBER XXXXX, and a business address of INSERT ADDRESS. This agreement is subject to funding availability from the GRANTEE and the U.S. Department of Housing and Urban Development ("HUD") under Federal Award Identification number B-18-MC-06-0520, Catalogue of Federal Domestic Assistance (CFDA) number 14.218, Community Development Block Grant program for Entitlement Communities.

**RECITALS**

**WHEREAS**, GRANTEE has received funds from HUD pursuant to Title I of the Housing and Community Development Act of 1974, as amended (HCD), to address the community development needs of the GRANTEE, including fair housing issues; and

**WHEREAS**, GRANTEE has designated its Community Development Block Grant (CDBG) Division to administer and oversee projects utilizing these funds; and

**WHEREAS**, the Minor Home Rehabilitation (24 C.F.R 570.202) Program (the "MHRP") which is the subject of this agreement was established by the City Council on XXXXX; and

**WHEREAS**, the GRANTEE extended funding for this program on XXXXX, by approving GRANTEE's Fiscal Year 2018 - 2019, Annual Action Plan (the "Plan"); and

**WHEREAS**, in approving the Plan, GRANTEE allocated XXXXX in grant funds for the MHRP exclusively for City of Inglewood homeowners; and

**WHEREAS**, the MHRP allows up to \$15,000 per qualifying household for home repairs such as, but not limited to, interior and/or exterior paint, roof repair, window repair, plumbing, mechanical and electrical upgrades, wheelchair ramps and other accessibility related items; and

**WHEREAS**, in order to qualify under the Community Development Block Grant

1 ("CDBG") requirements the applicant must be extremely low-to low-income income residents  
2 with proof of income; and

3 **WHEREAS**, on XXXXX, the GRANTEE released a Request for Proposal-XXXXX to procure  
4 a qualified organization to run the program; and

5 **WHEREAS**, on XXXXX, three organizations responded; and

6 **WHEREAS**, on XXXXX, GRANTEE'S staff evaluated and rated the proposals and the  
7 SUBRECIPIENT was selected; and

8 **WHEREAS**, after careful review of the proposal, the SUBRECIPIENT was deemed to be  
9 highly qualified, experienced, and fully capable of administering the Minor Home  
10 Rehabilitation Program for the City of Inglewood; and

11 **WHEREAS**, the GRANTEE wishes to engage the SUBRECIPIENT to provide its specialized  
12 services for GRANTEE'S MHRP.

13 **NOW, THEREFORE**, the GRANTEE and the SUBRECIPIENT (individually referred to as  
14 "Party" or collectively as "Parties") agree to the following:

15 **1. Scope of Work.**

16 A. Activities. The SUBRECIPIENT will be responsible for administering the Minor Home  
17 Repair Program in a manner satisfactory to the CITY and consistent with any and all  
18 standards required as a condition of providing these funds. The CITY's grant of CDBG  
19 funds to the SUBRECIPIENT shall be used to provide the specific work and services as  
20 described in Exhibit 1 "Program Guidelines" as adopted by the CITY; Exhibit 2, City's  
21 RFP-XXXXX; Exhibit 3, the SUBRECIPIENT's Proposal; Exhibit 4, the Bi-monthly Report  
22 Form; and Exhibit 5, the End of Year Summary Report Form. Each Exhibit is  
23 incorporated herein by this reference as if set forth in full. In the event of ambiguity,  
24 conflict, or inconsistent language, the order of precedence shall be (in descending  
25 order):

- 26 a. Change orders and Amended Agreements (whichever occurs last);  
27 b. This Agreement;  
28 c. Exhibit "1;"

- 1           d.           Exhibit "2;"
- 2           e.           Exhibit "3;"
- 3           f.           Exhibit "4;"
- 4           g.           Exhibit "5."
- 5        B. National Objectives. All activities funded with CDBG funds must meet one of the CDBG
- 6        program's National Objectives: 1) benefit extremely low-to low-income income
- 7        persons; 2) aid in the prevention or elimination of slums or blight; or 3) meet
- 8        community development needs having a particular urgency, as defined in 24 C.F.R.
- 9        570.208.
- 10       C. Meeting the National Objectives. The SUBRECIPIENT certifies that the activity (or
- 11       activities) carried out under this Agreement will meet the National Objective of
- 12       extremely low-to low-income benefit housing where single-family dwellings must be
- 13       occupied by extremely low-to low-income income households.
- 14       D. Levels of Accomplishment, Goals, and Performance Measures. The SUBRECIPIENT shall
- 15       provide levels of program services to qualified applications and based upon funding
- 16       availability as reflected in the Program Guidelines. The CITY will monitor the
- 17       performance of the SUBRECIPIENT against goals and performance standards as stated
- 18       in this Agreement. Substandard performance as determined by the CITY will constitute
- 19       noncompliance with this Agreement. CITY anticipates the completion of 17 projects by
- 20       February 28, 2022, and no less than ten (10) minor home rehabilitation projects must
- 21       be completed 90 days after notice to proceed and the billings be submitted to the CITY
- 22       for reimbursement.
- 23       E. Staffing and Personnel. Any changes in the staffing or key personnel assigned,
- 24       pursuant to this Agreement, are subject to the prior approval of the CITY.
- 25       F. The CITY's grant of CDBG funds to the SUBRECIPIENT shall be used to provide the
- 26       specific eligible activities as described in Program Guidelines.
- 27       G. Program Guidelines. The SUBRECIPIENT shall follow the Program Guidelines.
- 28       **2. Time of Performance.**

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A. **Term of Agreement.** Subject to the suspension and termination provisions herein, the term of this Agreement is from **XXXXX, through and including XXXXX**, provided, however, the SUBRECIPIENT shall be obligated to perform such duties as would normally extend beyond this term, including but not limited to obligations with respect to indemnification, audits, reporting, data retention/reporting, and accounting.

**3. Payment.**

Amount of Grant and Disbursement. The maximum not-to-exceed amount available for SUBRECIPIENT'S use pursuant to this Agreement is **XXXXX (\$XXXXX, CDBG FUNDS)** and such funds shall be expended by the SUBRECIPIENT within a time period not exceeding **XXXXX**. The aforementioned maximum funding shall be used, to the extent received from HUD, as follows:

- (a) The City shall pay the SUBRECIPIENT in the ordinary course of City business a not-to-exceed amount of fifteen thousand dollars (\$15,000) per completed project (up to \$15,000 for project costs plus up to \$2,250 for administrative costs).
- (b) Notwithstanding the aforementioned not-to-exceed amount of \$15,000, plus fifteen percent (15%) for administrative cost per completed project, the City may, at its sole discretion and for critical safety repair projects only, grant a not-to-exceed amount of \$25,000, plus fifteen percent (15%) for administrative costs (up to \$25,000 for project costs plus up to \$3,750 for administrative costs). If a critical repair determination is made, the City shall make such determination in writing.
- (c) The SUBRECIPIENT understands and agrees that the City:
  - (i) Shall pay the SUBRECIPIENT in the ordinary course of City business; and
  - (ii) Will use its best efforts to avoid all unnecessary delays in processing the SUBRECIPIENT'S invoices for completed projects.
- (d) Reimbursement will be based on completed projects only.

- 1 A. Invoice Submittal. Concurrently with the submittal of each completed project, as  
2 described in subsection 4.A above, the SUBRECIPIENT shall submit both (i) an original  
3 invoice and (ii) true copies of other receipts, agreements, or other documentation  
4 supporting and evidencing how the CDBG FUNDS have been expended for each  
5 completed project. Reimbursement for staff salary, shall be evidenced by copies of the  
6 time card(s) or other satisfactory evidence of employment of the subject staff member  
7 with the SUBRECIPIENT. The invoice for each completed project submitted shall also  
8 include an itemized list of the work completed per property, with a breakdown of the  
9 fees.
- 10 B. Prohibition of Expending CDBG FUNDS to Obtain other Funding. The SUBRECIPIENT  
11 shall, in no event, expend CDBG FUNDS granted hereunder to fund another service  
12 provider, to pay a contractor for services outside the scope of this Agreement, to apply  
13 for other public agencies' program funds, or to supplant another funding source, unless  
14 expressly approved by the CITY.
- 15 C. Sole Source of Funding is CDBG Program Funds. The SUBRECIPIENT expressly  
16 acknowledges and agrees that the sole source of funding available to the CITY to meet  
17 its funding obligation to the SUBRECIPIENT under this Agreement is from CDBG  
18 Program funds allocated to and paid to the CITY by HUD and that no other source of  
19 revenues or funding is made available, offered, or construed to be provided hereunder  
20 by CITY to the SUBRECIPIENT. To the extent CITY is not allocated or does not receive  
21 from HUD the CDBG funds necessary to pay the SUBRECIPIENT pursuant to the terms of  
22 this Agreement, then the SUBRECIPIENT acknowledges and agrees there is no other  
23 funding source available or committed to meet the CITY'S funding described hereunder  
24 and no payment obligation of the CITY shall exist or be construed to exist.
- 25 D. No Disposition of Assets Acquired with CDBG FUNDS. The SUBRECIPIENT shall not  
26 dispose of any real or personal property acquired in full or in part with CDBG FUNDS  
27 through sale, use or relocation without the express and prior written permission of the  
28 CITY.

- 1 E. Disbursement Pursuant to Agreement. The SUBRECIPIENT acknowledges that the CITY  
2 shall disburse funds to the SUBRECIPIENT only upon execution of this Agreement and  
3 CITY is empowered to provide funds to the SUBRECIPIENT only pursuant to the  
4 provisions of this Agreement.
- 5 F. Coalition and Collaboration Subrecipient. CDBG funds allocated to coalition and  
6 collaboration subrecipients (including the SUBRECIPIENT, if applicable) must establish  
7 an additional reporting system to report services provided to eligible persons or  
8 households under the auspices of their combined program efforts. This additional  
9 reporting system must include the names, income, ethnicity, age, and head of  
10 household information of assisted persons or households. Additionally, the reporting  
11 system must describe the services provided by each coalition or collaboration  
12 subrecipient to individual persons or households, and the end result of the combined  
13 services.
- 14 G. Program Income. The SUBRECIPIENT shall report, on a bi-monthly basis, all program  
15 income (as defined at 24 C.F.R. 570.500 (a)) generated by activities carried out with  
16 CDBG funds made available under this Agreement. The use of program income by the  
17 SUBRECIPIENT shall comply with the requirements set forth at 24 C.F.R. 570.504(c). By  
18 way of further limitations, the SUBRECIPIENT may use such income during the  
19 Agreement period for activities permitted under this Agreement and shall reduce  
20 requests for, additional funds by the amount of any such program income balances on  
21 hand. All unexpended program income shall be returned to the CITY at the end of the  
22 Agreement period. Any interest earned on cash advances from the U.S. Treasury and  
23 from funds held in a revolving fund account is not program income and shall be  
24 remitted promptly to the CITY.
- 25 H. Bi-monthly (every two months) and Year-end Reports shall include:  
26 The SUBRECIPIENT shall prepare and submit the following reports detailing the  
27 expenditure of funds, services rendered, and any income generated:  
28

- 1           i.    Bi-monthly Reports-on or before XXXXX, January 15, 2022, and XXXXX. All reports  
2           shall be prepared in the form provided in Exhibit 4.
- 3           ii.   Fiscal Year Housing Rehabilitation End of Year Summary Report-on or before XXXXX.  
4           Said Report shall be prepared in the form provided in Exhibit 5.
- 5           I.   Prohibition of the SUBRECIPIENT Income from CDBG FUNDS. The SUBRECIPIENT agrees  
6           that it shall not use CDBG FUNDS in any manner which shall provide income to the  
7           SUBRECIPIENT. Any earned interest income on funds generated through the use of  
8           investment of funds received from CDBG shall be cause, at the discretion of the CITY,  
9           for recapture of such income and/or the full amount of funds originally granted to the  
10          SUBRECIPIENT.
- 11          J.   Indirect Costs. If indirect costs not reflected in the "Scope of Work - Program Budget"  
12          are charged, the SUBRECIPIENT will develop an indirect cost allocation plan for  
13          determining the appropriate SUBRECIPIENT's share of administrative costs and shall  
14          submit such plan to the CITY for approval, in a form specified by the CITY.
- 15          K.   The CITY reserves the right to liquidate funds available under this Agreement for costs  
16          incurred by the CITY on behalf of the SUBRECIPIENT.
- 17          L.   Progress Reports. The SUBRECIPIENT shall submit regular Progress Reports to the CITY  
18          in the form, content, and frequency as required by the CITY.
- 19   **4. Financial Management.**
- 20          A.   Accounting Standards. The SUBRECIPIENT agrees to comply with 2 C.F.R. Part 200,  
21          Subpart D entitled "Post Federal Award Requirements," as applicable and agrees to  
22          adhere to the accounting principles and procedures required therein, utilize adequate  
23          internal controls, and maintain necessary source documentation for all costs incurred.
- 24          B.   Cost Principles. The SUBRECIPIENT shall administer its program in conformance with 2  
25          C.F.R. Part 200, Subpart E, "Cost Principles," as applicable. These principles shall be  
26          applied for all costs incurred whether charged on a direct or indirect basis.
- 27          C.   Separation of Accounts. All CDBG FUNDS received by the SUBRECIPIENT from CITY  
28          pursuant to this Agreement shall be maintained in an account in a federally insured

1 banking or savings and loan institution with record keeping of such accounts  
2 maintained pursuant to applicable 2 C.F.R. Part 200 requirements. The SUBRECIPIENT  
3 is not required to maintain separate depository accounts for CDBG FUNDS, provided  
4 however, the SUBRECIPIENT must be able to account for receipt, obligation and  
5 expenditure of CDBG FUNDS pursuant to applicable 2 C.F.R. Part 200 requirements.

6 **5. Documentation and Record Keeping.**

7 A. Records to be Maintained. The SUBRECIPIENT shall maintain all records required by  
8 the Federal regulations specified in 24 C.F.R. 570.506 and 2 C.F.R. Part 200, Subpart D  
9 that are pertinent to the activities to be funded under this Agreement. Such records  
10 shall include, but not be limited to:

- 11 i. Records providing a full description of each activity undertaken;
- 12 ii. Records demonstrating that each activity undertaken meets one of the National  
13 Objectives of the CDBG program;
- 14 iii. Records required to determine the eligibility of activities;
- 15 iv. Records required to document the acquisition, improvement, use or disposition of  
16 real property acquired or improved with CDBG assistance;
- 17 v. Records documenting compliance with the fair housing and equal opportunity  
18 components of the CDBG program;
- 19 vi. Financial records as required by 24 C.F.R. 570 and 2 C.F.R. Part 200; and
- 20 vii. Other records necessary to document compliance with Subpart K of 24 C.F.R. Part  
21 570.

22 B. Other Records to be maintained. Documentation evidencing the income level of  
23 persons and/or families participating in or benefiting by the SUBRECIPIENT program,  
24 including, but not limited to:

- 25 i. Documentation of the number of persons and/or families participating in or  
26 benefiting by the SUBRECIPIENT program.
- 27 ii. Household information shall include number of persons, identification of head of  
28 household, race/ethnicity, disability, age of children, seniors, income verification.

- 1           iii. Documentation of all CDBG FUNDS received from CITY.
- 2           iv. Documentation of expenses as identified in the Budget Proposal, including evidence
- 3                 of incurring the expense, invoice(s) for goods or services, all other invoices for
- 4                 which CDBG FUNDS were expended, and payment therefore.
- 5           v. Any such other related records as CITY shall reasonably require or as required to be
- 6                 maintained pursuant to the CDBG REGS.
- 7        C. Retention.
- 8           i. The SUBRECIPIENT shall retain all financial records, supporting documents,
- 9                 statistical records, accounting records, reports, and evidence pertaining to all costs,
- 10                 expenses and the CDBG FUNDS of the SUBRECIPIENT and all other records
- 11                 pertinent to the Agreement for a period of five (5) years. The retention period
- 12                 begins on the date of the submission of the CITY's annual performance and
- 13                 evaluation report to HUD in which the activities assisted under the Agreement are
- 14                 reported on for the final time.
- 15           ii. Notwithstanding the above, if there is: a) any litigation, claims, audits,
- 16                 administrative proceeding, negotiation or other action arising out of the
- 17                 performance of this Agreement; or b) costs and expenses of this Agreement to
- 18                 which CITY or any other governmental agency takes exception, that involve any of
- 19                 the records cited and that have started before the expiration of the five-year
- 20                 period, then such records must be retained until completion of the actions and
- 21                 resolution of all issues or disposition of such appeals, litigation claims, or
- 22                 exceptions, or the expiration of the five-year period, whichever occurs later. All
- 23                 files shall be turned over to the CITY at the CITY's request at any point and before
- 24                 any files are discarded.
- 25        D. Client Data. The SUBRECIPIENT shall maintain client data demonstrating client
- 26                 eligibility for services provided. Such data shall include, but not be limited to, client
- 27                 name, address, income level or other basis for determining eligibility, and description
- 28

- 1 of service provided. Such information shall be made available to CITY monitors or their  
2 designees for review upon request.
- 3 E. Disclosure. The SUBRECIPIENT understands that client information collected under this  
4 Agreement is private and the use or disclosure of such information, when not directly  
5 connected with the administration of the CITY's or the SUBRECIPIENT's responsibilities  
6 with respect to services provided under this Agreement, is prohibited unless written  
7 consent is obtained from such person receiving service and, in the case of a minor, that  
8 of a responsible parent/guardian.
- 9 F. Audits & Inspections. All SUBRECIPIENT records, including books, records, reports,  
10 documents, and papers, with respect to any matters covered by this Agreement shall  
11 be made available to the CITY, grantor agency, and the United States Government  
12 and/or their representatives, at any time during normal business hours, as often as  
13 deemed necessary, to audit, examine, monitor and make excerpts or transcripts of all  
14 relevant data. Any deficiencies noted in audit reports must be fully cleared by the  
15 SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the  
16 SUBRECIPIENT to comply with the above audit requirements will constitute a violation  
17 of this Agreement and may result in the withholding of future payments. The  
18 SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance  
19 with 2 C.F.R. Part 200, Subpart F entitled "Audit Requirements." CITY shall include an  
20 audit of the records and accounts maintained by the SUBRECIPIENT pursuant to this  
21 Agreement in CITY'S annual audit of all CDBG funds pursuant to CDBG REGS, Title 24 of  
22 the Code of Federal Regulations, and other applicable federal laws and regulations.
- 23 G. Monitoring. CITY and the United States Government and/or their representatives shall  
24 also schedule on site monitoring at their discretion. Monitoring activities may also  
25 include, but are not limited to, questioning employees and participants in said program  
26 and entering any premises or any site in which any of the services or activities funded  
27 hereunder are conducted or in which any of the records of the SUBRECIPIENT are kept.  
28 Nothing herein shall be construed to require access to any privileged or confidential

1 information as set forth in federal or state law.

2 H. Failure to Provide Records. In the event the SUBRECIPIENT does not make the above-  
3 referenced records available within the City of Inglewood, California, the SUBRECIPIENT  
4 agrees to pay all necessary and reasonable expenses incurred by CITY in conducting any  
5 audit at the location where said records and books of account are maintained.

6 **6. Procurement.**

7 A. Inventory. The SUBRECIPIENT shall maintain inventory records of all non-expendable  
8 personal property that is procured with funds provided herein. All program assets  
9 (unexpended program income, property, equipment, etc.) shall revert to the CITY in  
10 accordance with the provisions of this Agreement.

11 B. OMB Standards. Unless specified otherwise within this Agreement, the SUBRECIPIENT  
12 shall procure all materials, property, or services in accordance with the requirements of  
13 2 C.F.R. Part 200, Subpart D §§ 200.317—200.326.

14 **7. Use and Reversion of Assets.** The use and disposition of real property and equipment  
15 under this Agreement shall be in compliance with the requirements of 2 C.F.R. Part 200,  
16 Subpart D and 24 C.F.R. 570.502, 570.503, and 570.504, as applicable, which include but  
17 are not limited to the following:

18 A. The SUBRECIPIENT shall transfer to the CITY any CDBG funds on hand and any accounts  
19 receivable attributable to the use of funds under this Agreement at the time of  
20 expiration, cancellation, or termination.

21 B. Real property under the SUBRECIPIENT's control that was acquired or improved, in  
22 whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to  
23 meet one of the CDBG National Objectives pursuant to 24 C.F.R. 570.208 until five (5)  
24 years after expiration of this Agreement [or such longer period of time as the CITY  
25 deems appropriate]. If the SUBRECIPIENT fails to use CDBG-assisted real property in a  
26 manner that meets a CDBG National Objective for the prescribed period of time, the  
27 SUBRECIPIENT shall pay the CITY an amount equal to the current fair market value of  
28 the property less any portion of the value attributable to expenditures of non-CDBG

- 1 funds for acquisition of, or improvement to, the property. Such payment shall  
2 constitute program income to the CITY. The SUBRECIPIENT may retain real property  
3 acquired or improved under this Agreement after the expiration of the five-year period  
4 [or such longer period of time as the CITY deems appropriate].
- 5 C. In all cases in which equipment acquired, in whole or in part, with funds under this  
6 Agreement is sold, the proceeds shall be program income (prorated to reflect the  
7 extent that funds received under this Agreement were used to acquire the equipment).  
8 Equipment not needed by the SUBRECIPIENT for activities under this Agreement shall  
9 be (a) transferred to the CITY for the CDBG program or (b) retained after compensating  
10 the CITY [an amount equal to the current fair market value of the equipment less the  
11 percentage of non-CDBG funds used to acquire the equipment].
- 12 D. In furtherance of the foregoing, if the CITY selects continued use of the capital asset,  
13 then the SUBRECIPIENT hereby agrees that it shall be subject to an ongoing operating  
14 and use covenant relating to the subject real or personal property. The foregoing  
15 covenant shall survive the termination or expiration of this Agreement and shall be  
16 actionable at law or in equity by the CITY against the SUBRECIPIENT and its successors  
17 in interest.
- 18 **8. Relocation, Real Property Acquisition and One-For-One Housing Replacement.** The  
19 SUBRECIPIENT agrees to comply with (a) the Uniform Relocation Assistance and Real  
20 Property Acquisition Policies Act of 1970, as amended (URA), and implementing  
21 regulations at 49 C.F.R. Part 24 and 24 C.F.R. 570.606(b); (b) the requirements of 24 C.F.R.  
22 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan  
23 under section 104(d) of the HCD Act; and (c) there requirements in 24 C.F.R. 570.606(d)  
24 governing optional relocation policies. The CITY may preempt the optional policies. The  
25 SUBRECIPIENT shall provide relocation assistance to displaced persons as defined by 24  
26 C.F.R. 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation,  
27 demolition or conversion for a CDBG-assisted project. The SUBRECIPIENT also agrees to  
28

1 comply with applicable CITY ordinances, resolutions and policies concerning the  
2 displacement of persons from their residences.

3 **9. Notices.**

4 A. Notices required by this Agreement shall be in writing and delivered via mail (postage  
5 prepaid), commercial courier, or personal delivery. Any notice sent pursuant to this  
6 Section 10 shall be effective five (5) days after deposit of the same in the custody of the  
7 United States Postal Service, properly addressed, with postage prepaid and return  
8 receipt requested. Any notice delivered by personal delivery shall be deemed effective  
9 on the date personally delivered. All notices and other written communications under  
10 this Agreement shall be addressed to the individuals in the capacities indicated below,  
11 unless otherwise modified by subsequent written notice.

12 B. Notice to the:

13 **CITY OF INGLEWOOD**  
14 **Aisha L. Thompson,**  
15 City Clerk  
16 One W. Manchester Blvd.  
17 One W. Manchester Blvd.  
18 Inglewood, CA 90301

**SUBRECIPIENT**  
**NAME**  
**TITLE**  
**ADDRESS**

19 **CITY WITH COPY TO:**  
20 **Roberto Chavez,**  
21 HUD Programs Manager  
22 City of Inglewood  
23 One Manchester Boulevard  
24 Inglewood, California 90301-1750

25 **10. General Compliance.**

26 A. The SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of  
27 Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations  
28 concerning Community Development Block Grants (CDBG)) including Subpart K of these  
regulations, except that (1) the SUBRECIPIENT does not assume the environmental  
responsibilities described in 24 C.F.R. 570.604 that are applicable to the CITY; and (2)  
the SUBRECIPIENT does not assume the CITY's responsibility for initiating the review

- 1 process under the provisions of 24 C.F.R. Part 52. The SUBRECIPIENT also agrees to  
2 comply with all other applicable Federal, state and local laws, regulations, and policies  
3 governing the funds provided under this Agreement. The SUBRECIPIENT further agrees  
4 to utilize funds available under this Agreement to supplement rather than supplant  
5 funds otherwise available.
- 6 B. The SUBRECIPIENT shall comply with applicable uniform administrative requirements  
7 as described in 24 C.F.R. 570.502.
- 8 C. The SUBRECIPIENT agrees to comply fully with all applicable federal, state, and local  
9 laws, ordinances, regulations, and permits, including but not limited to all CDBG REGS  
10 relating to financial and contractual procedures, and C.F.R. Super Circular set forth at 2  
11 C.F.R. 200, which consolidates, streamlines, and updates eight (8) OMB Circulars and  
12 Guides into one document. Said Federal documents are on file in the City of  
13 Inglewood, One West Manchester Boulevard, California 90301, and are incorporated  
14 herein by reference.
- 15 D. The SUBRECIPIENT shall maintain all presently required permits and shall secure any  
16 new permits required by authorities herein with jurisdiction over the work, project, or  
17 services provided by the SUBRECIPIENT with the CDBG FUNDS.
- 18 E. The SUBRECIPIENT agrees to obtain and maintain all licenses, registrations,  
19 accreditation and inspections from all agencies governing its operations. The  
20 SUBRECIPIENT shall insure that its staff shall also obtain and maintain all required  
21 licenses, registrations, accreditations, and inspections from all agencies governing the  
22 SUBRECIPIENT's operations and work hereunder.
- 23 F. The SUBRECIPIENT shall ensure that the requirements of the National Environmental  
24 Policy Act are met for any permits, discretionary approvals, or other entitlement  
25 required to carry out the terms of this Agreement.
- 26 G. CITY Recognition. The SUBRECIPIENT shall insure recognition of the role of the CITY in  
27 providing services through this Agreement. All activities, facilities and items utilized  
28 pursuant to this Agreement shall be prominently labeled as to funding source. In

1            addition, the SUBRECIPIENT will include a reference to the support provided herein in  
2            all publications made possible with funds made available under this Agreement.

3            H. Drug-Free Work Place Policy. The SUBRECIPIENT, upon notification of contract award,  
4            shall establish a Drug-Free Awareness Program to inform employees of the dangers of  
5            drug abuse in the work place, the penalties that may be imposed upon employees for  
6            drug abuse violations occurring in the work place, and the employee assistance  
7            programs available to employees. Each employee engaged in the performance of a  
8            SUBRECIPIENT contract must be notified of this Drug-Free Awareness Program, and  
9            must abide by its terms.

10        **11. Independent Contractor.** Nothing contained in this Agreement is intended to, or shall be  
11        construed in any manner, as creating or establishing an employer-employee relationship  
12        between the Parties. The SUBRECIPIENT shall at all times remain an independent  
13        contractor with respect to the services to be performed under this Agreement. The CITY  
14        shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life  
15        and/or medical insurance and Workers' Compensation Insurance, as the SUBRECIPIENT is  
16        an independent contractor.

17        **12. Indemnification.**

18        A. The SUBRECIPIENT agrees to indemnify, hold harmless and defend the CITY, its City  
19        Council, and each member thereof, and every officer, employee, representative or  
20        agent of CITY, from any and all liability, claims, demands, actions, damages (whether in  
21        contract or tort, including personal injury, death at any time, or property damage),  
22        costs and financial loss, including attorney fees and all costs and expenses and fees of  
23        litigation or arbitration, that arise directly or indirectly from any acts or omissions  
24        related to this Agreement performed by the SUBRECIPIENT or its agents, employees,  
25        subconsultants, consultants and other persons acting on the SUBRECIPIENT'S behalf  
26        except where caused by the active negligence, sole negligence, or willful misconduct of  
27        the CITY. If any action or proceeding is brought against CITY by reason of any of the  
28        matters against which the SUBRECIPIENT has agreed to indemnify the CITY as provided

1 above, the SUBRECIPIENT, upon notice from the CITY, shall defend the CITY at the  
2 SUBRECIPIENT'S expense by counsel acceptable to the CITY, such acceptance not to be  
3 unreasonably withheld. The CITY need not have first paid for any of the matters to  
4 which the CITY is entitled to indemnification in order to be so indemnified. The  
5 insurance required to be maintained by the SUBRECIPIENT under this paragraph shall  
6 ensure the SUBRECIPIENT'S obligations under this section, but the limits of such  
7 insurance shall not limit the liability of the SUBRECIPIENT hereunder. The provisions of  
8 this paragraph shall survive the expiration or earlier termination of this Agreement.

9 B. The SUBRECIPIENT'S obligation to defend shall arise when a claim, demand or action is  
10 made or filed, whether or not such claim, demand or action results in a determination  
11 of liability or damages as to which the SUBRECIPIENT is obligated to indemnify and hold  
12 harmless.

13 **13. Insurance.**

14 The SUBRECIPIENT shall procure and maintain for the duration of the Contract, insurance  
15 against claims for injuries to persons or damages to property, which may arise from or in  
16 connection with the performance of the Work hereunder by the SUBRECIPIENT, his agents,  
17 representatives, employees, or subcontractors. The cost of such insurance shall be borne  
18 by the SUBRECIPIENT. Failure to maintain or renew coverage or to provide evidence of  
19 renewal may be treated by the City as a material breach of Contract.

20 **MINIMUM SCOPE AND LIMIT OF INSURANCE**

21 Coverage shall be at least as broad as:

22 1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01  
23 covering CGL on an "occurrence" basis, including products and completed operations,  
24 property damage, bodily injury and personal & advertising injury with limits no less than  
25 **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general  
26 aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the  
27 general aggregate limit shall be twice the required occurrence limit.

28 2. **Automobile Liability:** Insurance Services Office Form CA 0001 covering Code 1 (any

1 auto), with limits no less than **\$2,000,000** per accident for bodily injury and property  
2 damage.

3 3. **Workers' Compensation** insurance as required by the State of California, with  
4 Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000**  
5 per accident for bodily injury or disease.

6 4. **Builder's Risk** (Course of Construction) insurance utilizing an "All Risk" (Special Perils)  
7 coverage form, with limits equal to the completed value of the project and no coinsurance  
8 penalty provisions.

9 5. **Surety Bonds** as described below.

10 6. **Professional Liability** (if Design/Build), with limits no less than **\$2,000,000** per  
11 occurrence or claim, and **\$4,000,000** policy aggregate.

12 7. **SUBRECIPIENT'S Pollution Legal Liability** and/or **Asbestos Legal Liability** and/or  
13 **Errors and Omissions** (if project involves environmental hazards) with limits no less than  
14 **\$2,000,000** per occurrence or claim, and **\$4,000,000** policy aggregate.

15 If the SUBRECIPIENT maintains broader coverage and/or higher limits than the minimums  
16 shown above, the City requires and shall be entitled to the broader coverage and/or the  
17 higher limits maintained by the SUBRECIPIENT. Any available insurance proceeds in excess  
18 of the specified minimum limits of insurance and coverage shall be available to the City.

19 ***Self-Insured Retentions***

20 Self-insured retentions must be declared to and approved by the City. The City may require  
21 the SUBRECIPIENT to purchase coverage with a lower retention or provide proof of ability  
22 to pay losses and related investigations, claim administration, and defense expenses within  
23 the retention. The policy language shall provide, or be endorsed to provide, that the self-  
24 insured retention may be satisfied by either the named insured or the City.

25 **Other Insurance Provisions**

26 The insurance policies are to contain, or be endorsed to contain, the following provisions:

27 1. **The City, its officers, officials, employees, and volunteers are to be covered as**  
28 **additional insureds** on the CGL policy with respect to liability arising out of work or

1 operations performed by or on behalf of the SUBRECIPIENT including materials, parts, or  
2 equipment furnished in connection with such work or operations and automobiles owned,  
3 leased, hired, or borrowed by or on behalf of the SUBRECIPIENT. General liability coverage  
4 can be provided in the form of an endorsement to the SUBRECIPIENT'S insurance (at least  
5 as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20  
6 38; and CG 20 37 forms if later revisions used).

7 2. For any claims related to this project, the **SUBRECIPIENT'S insurance coverage shall**  
8 **be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City,  
9 its officers, officials, employees, and volunteers. Any insurance or self-insurance  
10 maintained by the City, its officers, officials, employees, or volunteers shall be excess of the  
11 SUBRECIPIENT'S insurance and shall not contribute with it.

12 3. Each insurance policy required by this clause shall provide that coverage shall not be  
13 canceled, except with notice to the City.

14 ***Builder's Risk (Course of Construction) Insurance***

15 The SUBRECIPIENT may submit evidence of Builder's Risk insurance in the form of Course  
16 of Construction coverage. Such coverage shall **name the City as a loss payee** as their  
17 interest may appear.

18 If the project does not involve new or major reconstruction, at the option of the City, an  
19 Installation Floater may be acceptable. For such projects, a Property Installation Floater  
20 shall be obtained that provides for the improvement, remodel, modification, alteration,  
21 conversion or adjustment to existing buildings, structures, processes, machinery and  
22 equipment. The Property Installation Floater shall provide property damage coverage for  
23 any building, structure, machinery or equipment damaged, impaired, broken, or destroyed  
24 during the performance of the Work, including during transit, installation, and testing at  
25 the City's site.

26 ***Claims Made Policies***

27 If any coverage required is written on a claims-made coverage form:

28 1. The retroactive date must be shown, and this date must be before the execution

1 date of the contract or the beginning of contract work.

2 2. Insurance must be maintained and evidence of insurance must be provided for at  
3 least five (5) years after completion of contract work.

4 3. If coverage is cancelled or non-renewed, and not replaced with another claims-made  
5 policy form with a retroactive date prior to the contract effective, or start of work date, the  
6 SUBRECIPIENT must purchase extended reporting period coverage for a minimum of five  
7 (5) years after completion of contract work.

8 4. A copy of the claims reporting requirements must be submitted to the City for  
9 review.

10 5. If the services involve lead-based paint or asbestos identification/remediation, the  
11 SUBRECIPIENT'S Pollution Liability policy shall not contain lead-based paint or asbestos  
12 exclusions. If the services involve mold identification/remediation, the SUBRECIPIENT'S  
13 Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution  
14 shall include microbial matter, including mold.

15 ***Acceptability of Insurers***

16 Insurance is to be placed with insurers authorized to conduct business in the state with a  
17 current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

18 ***Waiver of Subrogation***

19 **The SUBRECIPIENT hereby agrees to waive rights of subrogation which any insurer of the**  
20 **SUBRECIPIENT may acquire** from the SUBRECIPIENT by virtue of the payment of any loss.

21 The SUBRECIPIENT agrees to obtain any endorsement that may be necessary to affect this  
22 waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a**  
23 **waiver of subrogation** in favor of the City for all work performed by the SUBRECIPIENT, its  
24 employees, agents and subcontractors.

25 ***Verification of Coverage***

26 The SUBRECIPIENT shall furnish the City with original Certificates of Insurance including all  
27 required amendatory endorsements (or copies of the applicable policy language effecting  
28 coverage required by this clause) and a copy of the Declarations and Endorsement Page of

1 the CGL policy listing all policy endorsements to City before work begins. However, failure  
2 to obtain the required documents prior to the work beginning shall not waive the  
3 SUBRECIPIENT'S obligation to provide them. The City reserves the right to require  
4 complete, certified copies of all required insurance policies, including endorsements,  
5 required by these specifications, at any time.

6 ***Subcontractors***

7 The SUBRECIPIENT shall require and verify that all subcontractors maintain insurance  
8 meeting all requirements stated herein, and the SUBRECIPIENT shall ensure that the City is  
9 an additional insured on insurance required from subcontractors. For CGL coverage,  
10 subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

11 ***Surety Bonds***

12 The SUBRECIPIENT shall comply with the bonding and insurance requirements of C.F.R.2  
13 C.F.R. Part 200, Subpart D.

14 ***Special Risks or Circumstances***

15 The City reserves the right to modify these requirements, including limits, based on the  
16 nature of the risk, prior experience, insurer, coverage, or other circumstances.

17 **14. Default.**

18 If either Party materially fails to comply with any term of this Agreement said non-  
19 compliance shall be considered a breach or default hereunder and a basis for termination  
20 for cause as hereinbefore provided. Such non-compliance with this Agreement includes,  
21 without limitation, non-performance, slow performance, or substandard performance such  
22 as the failure to provide substantially all the services described in the Scope of Work of this  
23 Agreement or the failure to substantially meet or fulfill the goals set forth in the Scope of  
24 Work.

25 A. Enforcement by the CITY Due to Default by the SUBRECIPIENT. In the event of default  
26 by the SUBRECIPIENT hereunder, the CITY may take one or more of the actions  
27 provided under the CDBG REGS, including 2 C.F.R. Part 200, Subpart D, § 200.338  
28 C.F.R. or the CITY may avail itself of any other remedies available at law or equity for

1 breach of this Agreement. The remedies available to the CITY under 2 C.F.R. Part 200,  
2 Subpart D, § 200.338 C.F.R. include, without limitation, temporarily withholding cash,  
3 disallowing non-compliant costs, wholly or partly terminating the award, and  
4 withholding future awards. Furthermore, if the CITY finds that the SUBRECIPIENT has  
5 violated a term or condition of this Agreement, the SUBRECIPIENT may, at the City's  
6 sole discretion, be required to:

- 7 i. Repay all monies received from the CITY under this Agreement; and/or
- 8 ii. Transfer possession of all materials and equipment purchased with grant money  
9 to the CITY.

10 B. Recapture. The SUBRECIPIENT shall have the affirmative obligation to repay, and the  
11 CITY shall have the affirmative right (but not the obligation) to recapture from the  
12 SUBRECIPIENT all (or any portion of) CDBG FUNDS disbursed to the SUBRECIPIENT  
13 hereunder in the event of the SUBRECIPIENT's default hereunder or in the event the  
14 SUBRECIPIENT refuses to accept, or fails to comply with, any conditions which may  
15 subsequently be imposed by HUD for the operation of the CDBG Program.

16 **15. Suspension or Termination.**

17 A. The CITY may immediately terminate this Agreement upon the termination,  
18 suspension, discontinuation, or substantial reduction in HUD CDBG funding for this  
19 Agreement's activity.

20 B. Termination for Cause. Either party may terminate this Agreement for non-  
21 performance by the other party of any material provision of this Agreement.  
22 Furthermore, in accordance with 2 C.F.R. Part 200, Subpart D, § 200.340 C.F.R., the CITY  
23 may suspend or terminate this Agreement if the SUBRECIPIENT materially fails to  
24 comply with any terms of this Agreement, which include (but are not limited to) the  
25 following:

- 26 i. Failure to comply with any of the rules, regulations or provisions referred to herein,  
27 or such statutes, regulations, executive orders, and HUD guidelines, policies or  
28 directives as may become applicable at any time;

- 1           ii. Failure, for any reason, of the SUBRECIPIENT to fulfill in a timely and proper manner  
2           its obligations under this Agreement;
- 3           iii. Ineffective or improper use of funds provided under this Agreement; or
- 4           iv. Submission by the SUBRECIPIENT to the CITY reports that are incorrect or  
5           incomplete in any material respect.
- 6        C. In accordance with 2 C.F.R. Part 200, this Agreement may also be terminated for  
7        convenience by either the CITY or the SUBRECIPIENT, in whole or in part, by setting  
8        forth the reasons for such termination, the effective date, and, in the case of partial  
9        termination, the portion to be terminated. However, if in the case of a partial  
10       termination, the CITY determines that the remaining portion of the award will not  
11       accomplish the purpose for which the award was made, the CITY may terminate the  
12       award in its entirety.
- 13       D. Either party may terminate this Agreement if, for any reason, the timely completion of  
14       the work/services to be provided under this Agreement is rendered improbable,  
15       infeasible, or impossible.
- 16       E. In the event this Agreement is terminated, as provided in this section, the  
17       SUBRECIPIENT agrees to and shall immediately return to CITY any and all funds not  
18       used and to comply with the provisions of the Reversion of Assets section of this  
19       Agreement.
- 20       F. Notice of Termination. This Agreement may be terminated in whole or in part at any  
21       time by either party giving the other party thirty (30) days' written notice in writing.  
22       Should the CITY decide to terminate this Agreement, the SUBRECIPIENT shall be given  
23       notice of the termination and the SUBRECIPIENT shall, upon written request, have the  
24       right to an appeal process. A copy of the appeal process will be attached to the notice  
25       of termination.
- 26       G. In the event the CITY terminates this Agreement, the CITY's City Manager or designee is  
27       hereby empowered to give the written notice subject to subsequent ratification by the  
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1 City Council of the CITY at the next regular meeting of such body at which a quorum  
2 duly authorized to act is present, or at a special meeting duly called and held.

3 H. Additional Payment after Notice of Termination at Discretion of the CITY. In the event  
4 of early termination of the Agreement by either Party, at the sole discretion and  
5 election of the CITY, the SUBRECIPIENT will be compensated for all services rendered  
6 and necessarily incurred costs performed in good faith in accordance with the terms of  
7 this Agreement that have been previously eligible for reimbursement and paid, to the  
8 date of the notice of termination and to the extent that CDBG funds are available from  
9 HUD.

10 I. In the case of termination pursuant to this section, a final payment may, at the City's  
11 sole discretion, be made to the SUBRECIPIENT upon receipt of a Final Report and  
12 invoices covering eligible costs incurred prior to termination. The total of all payments,  
13 including the final payment, shall not exceed the amount of CDBG FUNDS specified in  
14 this Agreement.

15 **16. Personnel & Participant Conditions.**

16 A. Civil Rights.

17 i. Compliance. The SUBRECIPIENT agrees to comply with local and state law and with  
18 Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of  
19 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and  
20 Community Development Act of 1974 as amended, Section 504 of the  
21 Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age  
22 Discrimination Act of 1975, Executive Order 863, and Executive Order 11246 as  
23 amended by Executive Orders 11375, 11478, 12107 and 12086.

24 ii. Nondiscrimination.

25 a. The SUBRECIPIENT agrees to comply with the non-discrimination in  
26 employment and contracting opportunities laws, regulations, and executive  
27 orders referenced in 24 C.F.R. 570.607, as revised by Executive Order 13279.

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- 1           The applicable non-discrimination provisions in Section 109 of the HCDA are still  
2           applicable.
- 3           b. The SUBRECIPIENT shall not discriminate against any employee or applicant for  
4           employment because of race, color, religion, sex, national origin, age or  
5           handicap. The SUBRECIPIENT shall take affirmative action to insure that  
6           applicants are employed, and that employees are treated during employment,  
7           without regard to their race, color, religion, sex, national origin, age or  
8           handicap. Such action shall include, but not be limited to, the following:  
9           employment, upgrading, demotion or transfer, recruitment or recruitment  
10          advertising, layoff or termination, rate of pay or other forms of compensation  
11          and selection for training including apprenticeship. The SUBRECIPIENT agrees  
12          to post in conspicuous places available to employees and applicants for  
13          employment, notices setting forth the provisions of this nondiscrimination  
14          clause.
- 15          c. The SUBRECIPIENT shall comply with all provisions of Executive Order 11246 of  
16          September 24, 1965, and of the rules, regulations, and relevant orders of the  
17          Secretary of Labor.
- 18          d. The SUBRECIPIENT shall furnish to the CITY all information and reports required  
19          by Executive Order No. 11246 of September 24, 1965, and by the related rules,  
20          regulations, and orders.
- 21          iii. Land Covenants. This Agreement is subject to the requirements of Title VI of the  
22          Civil Rights Act of 1964 (P. L. 88-352) and 24 C.F.R. 570.601 and 570.602. In regard  
23          to the sale, lease, or other transfer of land acquired, cleared or improved with  
24          assistance provided under this Agreement, the SUBRECIPIENT shall cause or require  
25          a covenant running with the land to be inserted in the deed or lease for such  
26          transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or  
27          in the use or occupancy of such land, or in any improvements erected or to be  
28          erected thereon, providing that the CITY and the United States are beneficiaries of

1 and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its  
2 obligation to carry out the program assisted hereunder, agrees to take such  
3 measures as are necessary to enforce such covenant, and will not itself so  
4 discriminate.

5 iv. Section 504. The SUBRECIPIENT agrees to comply with all Federal regulations  
6 issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973  
7 (29 U.S.C. 794), which prohibits discrimination against the individuals with  
8 disabilities or handicaps in any Federally assisted program.

9 B. Affirmative Action

10 i. Approved Plan. The SUBRECIPIENT agrees that it shall be committed to carrying  
11 out, pursuant to the CITY's specifications, Affirmative Action Program in keeping  
12 with the principles as provided in President's Executive Order 11246 of September  
13 24, 1965. The CITY shall provide Affirmative Action guidelines to the SUBRECIPIENT  
14 to assist in the formulation of such program.

15 ii. Women- and Minority-Owned Businesses (W/MBE). The SUBRECIPIENT will use its  
16 best efforts to afford small businesses, minority business enterprises, and women's  
17 business enterprises the maximum practicable opportunity to participate in the  
18 performance of this Agreement. As used in this Agreement, the terms "small  
19 business" means a business that meets the criteria set forth in section 3(a) of the  
20 Small Business Act, as amended (15 U.S.C. 632), and "minority and women's  
21 business enterprise" means a business at least fifty-one (51) percent owned and  
22 controlled by minority group members or women. For the purpose of this  
23 definition, "minority group members" are Afro-Americans, Spanish-speaking,  
24 Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American  
25 Indians. The SUBRECIPIENT may rely on written representations by businesses  
26 regarding their status as minority and female business enterprises in lieu of an  
27 independent investigation.

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- 1           iii. Notifications. The SUBRECIPIENT will send to each labor union or representative of  
2           workers with which it has a collective bargaining agreement or other Agreement or  
3           understanding, a notice, to be provided by the agency contracting officer, advising  
4           the labor union or worker's representative of the SUBRECIPIENT's commitments  
5           hereunder, and shall post copies of the notice in conspicuous places available to  
6           employees and applicants for employment.
- 7           iv. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement. The  
8           SUBRECIPIENT will, in all solicitations or advertisements for employees placed by or  
9           on behalf of the SUBRECIPIENT, state that it is an Equal Opportunity or Affirmative  
10          Action employer.
- 11          v. Overcoming Effects of Prior Discrimination. In administering a program or activity  
12          funded in whole or in part with CDBG FUNDS regarding which the SUBRECIPIENT  
13          has previously discriminated against persons on the grounds of race, color, national  
14          origin or sex, the SUBRECIPIENT must take affirmative action to overcome the  
15          effects of prior discrimination, as and pursuant to applicable requirements of the  
16          CDBG REGS and other applicable federal laws and regulations.
- 17          Even in the absence of such prior discrimination, a SUBRECIPIENT administering a  
18          program or activity funded in whole or in part with CDBG FUNDS should take  
19          affirmative action to overcome the effects of conditions which would otherwise  
20          result in limiting participation by persons of a particular race, color, national origin  
21          or sex. Where previous discriminatory practice or usage tends, on the grounds of  
22          race, color, national origin, or sex, to exclude individuals from participation in, to  
23          deny them the benefits of, or to subject them to discrimination under any program  
24          or activity to which CDBG funding applies, the SUBRECIPIENT has an obligation to  
25          take reasonable action to remove or overcome the consequences of the prior  
26          discriminatory practice or usage, and to accomplish the purpose of the Civil Rights  
27          Act of 1964.
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1 A SUBRECIPIENT shall not be prohibited by this Section from taking any eligible  
2 action to ameliorate an imbalance in services or facilities provided to any  
3 geographic area or specific group of persons within its jurisdiction where the  
4 purpose of such action is to overcome prior discriminatory practice or usage.

5 C. Exceptions. Notwithstanding the foregoing non-discrimination provisions, nothing  
6 contained therein shall be construed to prohibit any SUBRECIPIENT from maintaining or  
7 constructing separate living facilities or rest room facilities for the different sexes.  
8 Furthermore, selectivity on the basis of sex is not prohibited when institutional or  
9 custodial services can properly be performed only by a member of the same sex as the  
10 recipients of the services.

11 D. Suspension and Debarment. The SUBRECIPIENT is required to verify that neither it, nor  
12 its principals, as defined at 2C.R.R. section 180.995, or it affiliates, as defined at C.F.R.  
13 sections 180.905 are excluded or disqualified, as defined at 2 C.F.R. sections 180.935  
14 and 180.940. The SUBRECIPIENT must comply with 2 C.F.R. Part 180, subpart C and 2  
15 C.F.R. Part 3000, subpart C, and must include a provision requiring compliance with  
16 these regulations in any subcontract of any tier. If it is later determined that the  
17 SUBRECIPIENT did not comply with the applicable subparts, the Federal government  
18 may pursue available remedies, including, but not limited to, suspension and/or  
19 debarment. By submitting entering into this Agreement, the SUBRECIPIENT agrees to  
20 comply with these requirements.

21 E. Subcontract Provisions.  
22 i. The SUBRECIPIENT will include the provisions of Sections 17.A. Civil Rights, and  
23 17.B. Affirmative Action, in every subcontract or purchase order, specifically or by  
24 reference, so that such provisions will be binding upon each of its own  
25 subrecipients or subcontractors.  
26 ii. The SUBRECIPIENT shall include the provisions of Section 17.A.ii.b. in every  
27 subcontract or purchase order unless exempted by rules, regulations, or order of  
28 the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246

1 of September 24, 1965, so that such provisions will be binding upon each  
2 subcontractor or vendor.

3 iii. The SUBRECIPIENT shall take such action with respect to any subcontract or  
4 purchase order as the CITY may direct as a means of enforcing such provisions  
5 including sanctions for noncompliance. In the event the SUBRECIPIENT becomes  
6 involved in, or is threatened with, litigation with a subcontractor or vendor as a  
7 result of such direction by the CITY, the SUBRECIPIENT may request the United  
8 States to enter into such litigation to protect the interests of the United States.

9 F. Employment Restrictions

10 i. Prohibited Activity.

11 a. The SUBRECIPIENT is prohibited from using funds provided herein or personnel  
12 employed in the administration of the program for: political activities,  
13 inherently religious activities, lobbying, political patronage, and nepotism  
14 activities.

15 b. Ineligibility of the SUBRECIPIENT or Contractors. The SUBRECIPIENT shall not  
16 use CDBG FUNDS directly or indirectly in its operations or to employ, award  
17 contracts to, or otherwise engage the services of, or fund any contractor during  
18 any period of debarment, suspension, or placement in ineligibility status of the  
19 SUBRECIPIENT or such contractor under the provisions of the CDBG REGS.

20 ii. Labor Standards. The SUBRECIPIENT agrees to comply with the requirements of:

21 a. The Secretary of Labor in accordance with the Davis-Bacon Act as amended, the  
22 provisions of Contract Work Hours;

23 b. The requirements of the federal Contract Work Hours and Safety Standards Act,  
24 as set forth in 40 U.S.C. 3701-3708, as supplemented by the regulations set  
25 forth in 29 C.F.R. Part 5, as may be amended from time to time, which are fully  
26 incorporated herein, including:

27 1) No Contractor or subcontractor will require or permit any  
28 laborer or mechanic performing Work for the Project to work

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in excess of 40 hours in a work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours during that work week;

- 2) If the SUBRECIPIENT or a subcontractor violates this requirement, the SUBRECIPIENT and any responsible subcontractor will be liable for the unpaid wages. In addition, the SUBRECIPIENT and subcontractor will be liable to the United States for liquidated damages. The liquidated damages will be computed with respect to each individual worker as specified under federal law;
- 3) The SUBRECIPIENT and subcontractors must insert this requirement into subcontracts of any tier. The SUBRECIPIENT is responsible for compliance with these requirements by each subcontractor of any tier.

c. All other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement.

iii. The SUBRECIPIENT agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. Part 5). The SUBRECIPIENT and subcontractors must insert this requirement into subcontract of any tier. The SUBRECIPIENT is responsible for compliance with these requirements by each subcontractor of any tier and shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the CITY for review upon request.

iv. The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing more than eight (8) units, all contractors engaged under contracts in excess of two thousand dollars (\$2,000) for

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construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 C.F.R. Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers. If, however, wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

v. The SUBRECIPIENT shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by CITY'S contracting officers advising the labor union or workers' representative of the SUBRECIPIENT commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

vi. "Section 3" Clause

a. Compliance. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 C.F.R. 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided under this Agreement and binding upon the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors. Failure to fulfill these requirements shall subject the CITY, the SUBRECIPIENT and any of the SUBRECIPIENT's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The SUBRECIPIENT certifies and agrees that no

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contractual or other disability exists that would prevent compliance with these requirements.

- b. The SUBRECIPIENT further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to extremely low-to low-income income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for extremely low-to low-income income persons residing in the metropolitan area in which the project is located."

- c. The SUBRECIPIENT further agrees to ensure that:
  - 1) Opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to extremely low-to low-income income persons residing within the metropolitan area in which the CDBG-funded project is located;
  - 2) Where feasible, priority should be given to extremely low-to low-income income persons within the service area of the project or the neighborhood in which the project is located, and to extremely low-to low-income income participants in other HUD programs;
  - 3) Where feasible, contracts for work undertaken in connection with a

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housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project should be awarded to businesses that provide economic opportunities for extremely low-to low-income income persons residing within the metropolitan area in which the CDBG-funded project is located; and

4) Where feasible, priority should be given to business concerns that provide economic opportunities to extremely low-to low-income income residents within the service area or the neighborhood in which the project is located, and to extremely low-to low-income income participants in other HUD programs.

d. The SUBRECIPIENT certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with the preceding subsection c.

e. Notifications. The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other Agreement or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

f. Subcontracts. The SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by either HUD or the CITY. The SUBRECIPIENT will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 C.F.R. Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

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G. Conduct

- i. Assignability. The SUBRECIPIENT shall not assign or transfer any interest in this Agreement without the prior written consent of the CITY thereto, provided, however, that claims for money due or to become due to the SUBRECIPIENT from the CITY under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the CITY.
- ii. Subcontracts
  - a. Approvals. The SUBRECIPIENT shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the CITY prior to the execution of such agreement.
  - b. Monitoring. The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure Agreement compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
  - c. Content. The SUBRECIPIENT shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.
  - d. Selection Process. The SUBRECIPIENT shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the CITY along with documentation concerning the selection process.
- iii. Hatch Act. The SUBRECIPIENT agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

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- iv. Conflict of Interest. The SUBRECIPIENT agrees to abide by the provisions of 2 C.F.R. §§ 200.112 and 200.318 and 570.611, which include (but are not limited to) the following:
- a. The SUBRECIPIENT shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
  - b. No employee, officer or agent of the SUBRECIPIENT shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
  - c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the CITY, the SUBRECIPIENT, or any designated public agency.
  - d. The SUBRECIPIENT agrees that no officer, employee, agent or assignee of CITY having direct or indirect control of any CDBG monies granted to the CITY, inclusive of the subject CDBG FUNDS, shall serve as an officer of the SUBRECIPIENT. Further, any conflict or potential conflict of interest of any officer of the SUBRECIPIENT shall be fully disclosed in writing prior to the execution of this Agreement and said writing shall be attached and deemed fully incorporated as a part hereof.

- 1 e. Conflict of Interest in Procurement. In the procurement of supplies, equipment,  
2 construction, and services by the SUBRECIPIENT, the conflict of interest  
3 provisions in 2 C.F.R. §§ 200.112 and 200.318 and 24 C.F.R. 570.611 shall apply.
- 4 v. Lobbying. The SUBRECIPIENT hereby certifies that:
- 5 a. No Federal appropriated funds have been paid or will be paid, by or on behalf of  
6 it, to any person for influencing or attempting to influence an officer or  
7 employee of any agency, a Member of Congress, an officer or employee of  
8 Congress, or an employee of a Member of Congress in connection with the  
9 awarding of any Federal Agreement, the making of any Federal grant, the  
10 making of any Federal loan, the entering into of any cooperative agreement,  
11 and the extension, continuation, renewal, amendment, or modification of any  
12 Federal Agreement, grant, loan, or cooperative agreement.
- 13 b. If any funds other than Federal appropriated funds have been paid or will be  
14 paid to any person for influencing or attempting to influence an officer or  
15 employee of any agency, a Member of Congress, an officer or employee of  
16 Congress, or an employee of a Member of Congress in connection with this  
17 Federal Agreement, grant, loan, or cooperative agreement, it will complete and  
18 submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance  
19 with its instructions.
- 20 c. This lobbying certification is a material representation of fact upon which  
21 reliance was placed when this transaction was made or entered into.  
22 Submission of this certification is a prerequisite for making or entering into this  
23 transaction imposed by Section 1352, Title 31, U.S.C. Any person who fails to file  
24 the required certification shall be subject to a civil penalty of not less than  
25 \$10,000 and not more than \$100,000 for each such failure.
- 26 d. The preceding subsection G.v.c. shall be in all award documents for all  
27 subawards at all tiers (including subcontracts, subgrants, and contracts under  
28 grants, loans, and cooperative agreements) and that all subrecipients shall

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- certify and disclose accordingly.
- vi. Copyright. If this Agreement results in any copyrightable material or inventions, the CITY and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.
  - vii. Procurement of Recovered Materials. The requirements of section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962, apply to this Contract and are fully incorporated into the Contract Documents by this reference. For individual purchases of \$10,000 or more, Contractor will make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired (A) competitively within the Contract schedule, (B) in conformance with Contract performance requirements, or (C) at a reasonable price. Information on this requirement, including a list of EPA-designated items, is available at the EPA's Comprehensive Procurement Guidelines website: <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>
  - viii. Religious Activities.
    - a. The SUBRECIPIENT agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 C.F.R. 570.200(j), such as worship, religious instruction, or proselytization. The parties agree the foregoing covenant is intended to and shall be construed for the limited purpose of assuring compliance with respect to the use of CITY funds by the SUBRECIPIENT with applicable constitutional limitations respecting the establishment of religion as set forth in the establishment clause under the First Amendment of the United States Constitution and Article I, Section 4 of California Constitution, and is not in any manner intended to restrict other activities of the SUBRECIPIENT.
    - b. The SUBRECIPIENT shall comply with all applicable conditions prescribed by

1 HUD for the use of CDBG FUNDS by religious organizations if the SUBRECIPIENT  
2 is a religious organization.

3 **17. Environmental Conditions**

4 A. Air and Water. The SUBRECIPIENT agrees to comply with the following requirements  
5 insofar as they apply to the performance of this Agreement:

- 6 i. Clean Air Act, 42 U.S.C. , 7401, et seq.;
- 7 ii. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as  
8 amended, 1318 relating to inspection, monitoring, entry, reports, and information,  
9 as well as other requirements specified in said Section 114 and Section 308, and all  
10 regulations and guidelines issued there under;
- 11 iii. Environmental Protection Agency (EPA) regulations pursuant to 40 C.F.R. Part 50, as  
12 amended.

13 B. Flood Disaster Protection. In accordance with the requirements of the Flood Disaster  
14 Protection Act of 1973 (42 U.S.C. 4001), the SUBRECIPIENT shall assure that for  
15 activities located in an area identified by the Federal Emergency Management Agency  
16 (FEMA) as having special flood hazards, flood insurance under the National Flood  
17 Insurance Program is obtained and maintained as a condition of financial assistance for  
18 acquisition or construction purposes (including rehabilitation).

19 C. Lead-Based Paint. The SUBRECIPIENT agrees that any construction or rehabilitation of  
20 residential structures with assistance provided under this Agreement shall be subject to  
21 HUD Lead-Based Paint Regulations at 24 C.F.R. 570.608, and 24 C.F.R. Part 35, Subpart  
22 B. Such regulations pertain to all CDBG-assisted housing and require that all owners,  
23 prospective owners, and tenants of properties constructed prior to 1978 be properly  
24 notified that such properties may include lead-based paint. Such notification shall point  
25 out the hazards of lead-based paint and explain the symptoms, treatment and  
26 precautions that should be taken when dealing with lead-based paint poisoning and  
27 the advisability and availability of blood lead level screening for children under seven.  
28 The notice should also point out that if lead-based paint is found on the property,

1 abatement measures may be undertaken. The regulations further require that,  
2 depending on the amount of Federal funds applied to a property, paint testing, risk  
3 assessment, treatment and/or abatement may be conducted.

4 D. Historic Preservation. The SUBRECIPIENT agrees to comply with the Historic  
5 Preservation requirements set forth in the National Historic Preservation Act of 1966,  
6 as amended (16 U.S.C. 470) and the procedures set forth in 36 C.F.R. Part 800, Advisory  
7 Council on Historic Preservation Procedures for Protection of Historic Properties,  
8 insofar as they apply to the performance of this agreement. In general, this requires  
9 concurrence from the State Historic Preservation Officer for all rehabilitation and  
10 demolition of historic properties that are fifty years old or older or that are included on  
11 a Federal, state, or local historic property list.

12 **18. Severability.** If any provision of this Agreement is held invalid, the remainder of the  
13 Agreement shall not be affected thereby and all other parts of this Agreement shall  
14 nevertheless be in full force and effect.

15 **19. Governing Law and Venue.** This agreement shall be interpreted, construed and governed  
16 according to the laws of the State of California. In the event of litigation between the  
17 parties, venue in state trial courts shall lie exclusively in the County of Los Angeles,  
18 Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California  
19 90503-5058. In the event of litigation in the United States District Court, venue shall lie  
20 exclusively in the Central District of California, in Los Angeles.

21 **20. Section Headings and Subheadings.** The section headings and subheadings contained in  
22 this Agreement are included for convenience only and shall not limit or otherwise affect  
23 the terms of this Agreement.

24 **21. Waiver.** The CITY's failure to act with respect to a breach by the SUBRECIPIENT does not  
25 waive its right to act with respect to subsequent or similar breaches. The failure of the CITY  
26 to exercise or enforce any right or provision shall not constitute a waiver of such right or  
27 provision.

28 **22. Amendments.** The CITY or the SUBRECIPIENT may amend this Agreement at any time

1 provided that such amendments make specific reference to this Agreement, and are  
2 executed in writing, signed by a duly authorized representative of each Party, and  
3 approved by the CITY's governing body. The CITY may, in its discretion, amend this  
4 Agreement to conform with Federal, state or local governmental guidelines, policies and  
5 available funding amounts.

6 **23. Entire Agreement.** This agreement constitutes the entire agreement between the CITY  
7 and the SUBRECIPIENT for the use of funds received under this Agreement and it  
8 supersedes all prior or contemporaneous communications and proposals, whether  
9 electronic, oral, or written between the CITY and the SUBRECIPIENT with respect to this  
10 Agreement.

11 **IN WITNESS WHEREOF,** the Parties hereto have executed this Agreement as of the date  
12 and year first above written.

13 **CITY OF INGLEWOOD**

**CONTRACTOR'S NAME**

14  
15 \_\_\_\_\_  
16 **James T. Butts, Jr.,**  
Mayor

\_\_\_\_\_ **Name**  
Title

17  
18 **ATTEST:**

**APPROVED AS TO FORM:**

19  
20 \_\_\_\_\_  
21 **Aisha L. Thompson,**  
City Clerk

\_\_\_\_\_ **Kenneth R. Campos,**  
City Attorney

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## **EXHIBIT 3**

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# **SUBRECIPIENT PROPOSAL**



Bringing People Together to Build Homes, Communities and Hope

**COPY**

March 4, 2022

Ms. Bianca Plascencia  
8<sup>th</sup> Floor Purchasing and Contract Services Division  
City of Inglewood  
One Manchester Blvd.  
Inglewood, CA 90301

Dear Ms. Bianca:

Habitat for Humanity of Greater Los Angeles (Habitat LA) is pleased to submit this proposal to the City of Inglewood in support in response to Request for Proposal RFP-0177, Minor Home Rehabilitation Program. Habitat LA is a 501(c)(3) non-profit organization that has served the greater Los Angeles County area since 1990. For more than 30 years, we have been guided by our mission to "put God's love into action by bringing people together to build homes, communities, and hope." We serve thousands of low-income families through construction of new homes, rehabilitation of existing properties, and owner-occupied home repairs.

I am the designated individual authorized to represent and sign on behalf of the organization; my contact information is below:

Erin Rank  
President & CEO  
Habitat for Humanity of Greater Los Angeles  
8739 Artesia Blvd.  
Bellflower, CA 90706  
310-323-4663 – Main  
310-323-0789 – Fax

Habitat LA looks forward to continuing its partnership with the City of Inglewood.

Sincerely,

A handwritten signature in blue ink that reads "Erin Rank". The signature is fluid and cursive.

Erin Rank  
President & CEO



RFP-0177

**PROPOSER CHECKLIST**

**COPY**

**BEFORE SUBMITTING YOUR PROPOSAL, HAVE YOU PROPERLY COMPLETED THE FOLLOWING?**

**Please Check  
Here**

**1. SUBMITTAL REQUIREMENTS:**

- a. Have you completed and submitted all of the items listed in Section 4. RFP Submittal Requirements on page 9?

          X          

**2. PROPOSAL:**

- a. Have you responded to the proposed scope of work?  
b. Is the proposal properly signed and dated?  
c. If the proposal is being submitted by a corporation, is the corporate seal affixed to the proposal?  
d. Have you submitted all requirements per this Request for Proposal?

          X          

          X          

          X          

          X          

**3. CONTRACT COMPLIANCE:**

- a. Have you completed and signed the Declaration of the Proposer?  
b. Have you completed the Extension of Contract to other Public Agencies?  
c. Have you completed and signed the Non-Collusion Declaration?  
d. Have you examined and understand the requirements and forms to be furnished on the project?

          X          

          X          

          X          

          X          

**4. BUSINESS TAX CERTIFICATE:**

- a. Are you aware of General Provisions Section 3, entitled Inglewood Business Tax Certificate?

          X

**REQUEST FOR PROPOSALS**  
**DECLARATION OF THE PROPOSER**

**COPY**

I declare, under penalty of perjury under the laws of the State of California, that I am an authorized agent or officer of the organization submitting this proposal and in such capacity I am empowered to submit this proposal on behalf of (organization):

Habitat for Humanity of Greater Los Angeles

I also verify that all information submitted and contained herein is true and correct to the best of my knowledge and belief.

BY:

Signature: 

Printed Name: Erin Rank

Position/Title: President & CEO

Date of Execution: March 12, 2022

**THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK**

**REQUEST FOR PROPOSALS**

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**EXTENSION OF CONTRACT TO OTHER PUBLIC AGENCIES**

The prices, terms, and conditions of this proposal may be extended to other governmental agencies at the mutual agreement of both the city and awarded vendor. All requirements of the specifications, purchase orders, invoices, and payments with other agencies would be directly with the successful contractor. The City of Inglewood does not warrant any additional use of the contract by such agencies. The vendor's response as requested below will in no way affect the City of Inglewood's consideration of this proposal.

Please indicate if this quote will be extended to other public agencies, and the length of time it will remain in effect from the opening date of this proposal.

Yes \_\_\_\_\_ No  Length of time Not applicable Days/Months

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REQUEST FOR PROPOSALS  
RFP-0177

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NON-COLLUSION DECLARATION

The undersigned hereby declares and says:

I am the President & CEO of Habitat for Humanity of Greater Los Angeles, the party making the foregoing bid. The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

(Full description of contract):

City of Inglewood, California Request for Proposal RFP-0177, Minor Home Rehabilitation Program

"I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on March 12, 2022 [date], at Bellflower [city], California [state].



Signature of Officer or Authorized Agent



Bringing People Together to Build Homes, Communities and Hope

**COPY**

**Proposal to the City of Inglewood  
Office of Purchasing Division 8th Floor City of Inglewood  
1 Manchester Blvd.  
Inglewood, CA 90301**

Submitted by:  
Habitat for Humanity of Greater Los Angeles  
Erin Rank, President and CEO  
8739 Artesia Blvd., Bellflower, CA 90706  
Submission Date: March 16, 2022



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## **A. Statement of Qualifications**

Habitat for Humanity of Greater Los Angeles (Habitat LA) was founded in 1990 with a vision to create a world where everyone has access to safe, decent, and affordable housing. We are guided by our mission to put God's love into action by bringing people together to build homes, communities, and hope. Over our 32-year history, we have built, rehabilitated, or repaired more than 1,100 homes in our service area, which includes more than 85% of Los Angeles County. Today, we serve hundreds of households annually through our new-construction programs, rehabilitation of distressed properties, neighborhood revitalization efforts, and owner-occupied home repairs.

Habitat LA launched its Home Preservation program in 2007 after becoming aware of the growing need among low-income homeowners that, while stably housed, cannot afford to complete critical repairs to their home. Since we first launched this program, we have served more than 500 households with critical health and safety-related repairs like roof and window repair and replacement, siding and stucco mending, gutter replacement, exterior door repair and replacement, plumbing repair, and fumigation, among other services. As many of the homeowners served through this program are older adults, Habitat LA also offers interior and exterior home modifications like wheelchair ramps, grab bars, safety rails, and accessible showers and toilets, that can help the homeowner age in place. Habitat LA's experienced Home Preservation team is led by a general contractor who works with eligible households to identify all areas of need and develop a plan to address necessary repairs.

Our expertise and experience in providing home repair services to households across Los Angeles County has been recognized by the cities of Pico Rivera, Whittier, Lynwood, Hawaiian Gardens, Los Angeles, and Whittier, all of which have contracted us to serve low-income homeowners in their community with necessary health and safety-related repairs.

The scope of services offered through our Home Preservation program are as comprehensive as those which we would be required to complete through the City of Inglewood's Minor Home Repair Grant program. If selected to provide services on behalf of the City of Inglewood, Habitat LA will abide by the program guidelines to qualify households and conduct repairs within the scope of the program.

### **1. Consultant Team**

#### *Consultant Team - Key Staff*

##### **Kelli Pezzelle, Director of Home Preservation:**

Kelli oversees Habitat LA's Home Preservation program. She develops new policies and procedures, oversees the implementation of goals, budgets, and timelines, and designs new initiatives and components of both programs. Kelli helps lead efforts in identifying new sources of funding and creates relationships with new partner agencies. Kelli has nearly two decades' experience in promoting affordable housing and ending homelessness in the Greater Los Angeles area. She has extensive



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experience working with government funds as an affordable housing project manager, grant writer, and procurement manager for the Los Angeles Homeless Services Authority, a city-county joint powers authority. Kelli has a master's degree in Social Work from USC and joined Habitat LA in early 2020.

**Sergio Morazan, Superintendent:**

Sergio oversees the construction team providing expertise while tracking project budgets and maintaining schedules. Sergio is a licensed General Contractor (License #928136) and joined Habitat LA in 2015. He has nearly 20 years of experience in residential construction. Sergio is also EPA certified for Renovation, Repair, and Painting (September 2014 - September 2019). Sergio is bilingual in English and Spanish.

*Consultant Team - Other Staff*

**Darrell Simien, Senior Vice President, Community Development**

Darrell Simien is the Senior Vice President of Community Development of Habitat for Humanity of Greater Los Angeles. Joining the Habitat LA team in 2010, Darrell has the responsibility of managing the construction, real estate, and forward planning efforts for the Affiliate. With over 20 years of experience in the construction and real estate industry, both in the public and private sector, Darrell has been responsible for the development and construction of over 1,000 affordable housing units in the Los Angeles County area. In addition, Darrell created and managed programs aimed to increase access and affordability for first time homebuyers while working for the City of Long Beach. A native of Los Angeles, Darrell holds a bachelor's degree with the University of California, Los Angeles, and a master's degree with the University of Southern California.

**Gilbert Gonzalez, Site Supervisor:**

Gilbert conducts home assessments and prepares the scope of work for each home. He also guides the construction team on an individual project level. Gilbert joined Habitat LA in 2018 after working with local YouthBuild affiliates for nine years. During his time with YouthBuild, Gilbert trained students on basic construction skills including carpentry, electrical, drywall, plumbing, solar PC systems, and energy efficiency /weatherization upgrades while also leading owner-occupied rehabilitation projects. Gilbert has a General Electrician certificate from Southern California Institute of Technology and has completed OSHA 10-Hour Construction Standards and OSHA Authorized Construction Trainer Certifications (OSHA 500 and 510).

**Audrey DeVoe, Program Manager:**

Audrey DeVoe manages the Home Preservation program by assisting in the implementation of services that meet the needs of low-income and underserved households. She processes program applications and qualifies eligible households to meet Habitat LA's program goals. Audrey maintains a healthy pipeline of program applicants for all Habitat LA programs while ensuring that partner households comply with eligibility criteria as determined by funders and Habitat LA's requirements. She



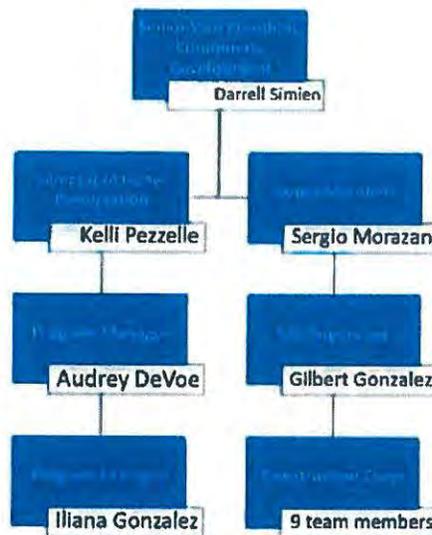
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communicates with construction staff to successfully deliver assistance to partner homeowners. Audrey tracks, monitors, and assesses progress of each project and ensures that clients are satisfied throughout the process.

**Iliana Gonzalez, Program Manager:**

Iliana Gonzalez receives and manages the intake and tracking of all applications and email inquiries across Home Preservation programs. She provides excellent customer service by following up with applicants and answering questions. She ensures quality data entry by staff and does an initial review of applications. Iliana is bilingual in English and Spanish.



**2. Consultant Team - References**

Kelli Pezzelle acted as the Director, Home Preservation during the period that the jobs below were completed. She was responsible for compliance with grant guidelines, as well as ensuring that both funder and homeowner are satisfied with the work performed.

Sergio Morazan acted as the Superintendent for all jobs listed here. He was responsible for compliance with state contractor guidelines, staying in budget and schedule, utmost safety for homeowners and staff, and providing quality craftsmanship.



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## **B. Commitment**

Habitat LA has served the Los Angeles County area since its founding in 1990. Over our more than 30-year history, we have continuously expanded our programs to meet the unique needs of low-income households across the county. Today, we employ more than 130 employees in various roles across our administrative offices, construction, rehabilitation sites, and three ReStores, Habitat LA's social enterprise home improvement stores in the cities of Bellflower, Torrance, and Los Angeles.

Habitat LA is staffed by committed and experienced individuals with extensive backgrounds in non-profit management, affordable housing, counseling, home lending, and home rehabilitation. Combined, Habitat LA's Senior Leadership Team has served the affiliate for more than 90 years. The Senior Vice President of Community Development, who leads this program, has been with the affiliate for 12 years and has been instrumental in the affiliate's continued growth. Many of the construction crew members have been with the Habitat for more than five years.

## **C. Work Plan/Scope of Services**

Habitat LA has more than 30 years' experience providing complete housing services to low-income households across Los Angeles County. Since 2007, we have offered extensive home repair services in partnership with low-income homeowners in need of critical healthy and safety repairs since 2007 and have served more than 500 households. As Inglewood's Minor Home Repair contractor since 2019, we have successfully served twenty-four Inglewood homeowners with critical home repairs.

Below is a summary of our approach to identifying, qualifying, and serving eligible homeowners through our Home Preservation programs:

### ***Manual:***

Habitat LA's staff will review the city's existing program guidelines and, if needed, will provide changes to ensure the city's program meets all federal, state, and local regulations.

### ***Bilingual Capabilities:***

At least one English/Spanish bilingual staff member is available to support households during regular business hours. Marketing materials for this program will be available in English, Spanish, and other languages as needed. Additionally, Habitat LA has an existing contract with a service that provides video remote interpretation services, telephone interpretation services, Braille transcription, and American Sign Language and International Sign Language Interpreting. These services will be used, as needed.



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***Commitment to Fair Housing:***

Habitat LA is committed to providing equal housing opportunities. We ensure fair and equal access to our services regardless of race, color, religion, gender, national origin, familial status, disability, marital status, age, ancestry, sexual orientation, source of income, or other characteristics as protected by law. We strongly believe in promoting and practicing fair housing in all our programs.

The Equal Housing Opportunity logo and notice is included throughout our marketing materials such as flyers and presentations as well as our Home Preservation package.

***Outreach and Marketing:***

Habitat LA will market the program and conduct outreach to attract interested households in the City of Inglewood. The Fair Housing logo and our statement above will be placed on all outreach materials. Materials will be available in English, Spanish, and other languages as needed within the community. Habitat LA will work with our partners across the community to inform households of available services.

***Eligibility Screening Process and Waiting List:***

Habitat LA will respond to City of Inglewood resident inquiries within 1 business day. All general inquiries for assistance will be given a link to use our online application system. If the applicant does not have access to a computer, then a paper application will be mailed to them, or staff can work with them to gather information over the phone. Applications will be accepted through our online system, email, or mail. Applications will be processed in the order received and based on funding availability.

***Applications:***

The online application system consists of a preliminary application and a "full application." The preliminary application screens for initial eligibility such as city of residence and income level. If an applicant meets initial eligibility for the City of Inglewood, and there is funding available, staff will send a link invitation to the full application. Applicants will upload documents into the system. If there is not funding available, staff will place the applicant on the program's waiting list. Applicants will be pulled from the waiting list on a first come first serve basis, when funding is available.

Because documents can expire, staff will wait to invite applicants to the full application until funding is available. Applicants will be given a two-week deadline to complete the full application and submit documents. If the application is not completed within the two-week deadline, the applicant will receive a reminder and an additional two-week extension may be granted. Deadline extensions will be considered on a case-by-case basis.

If Habitat LA's Program Staff and Site Supervisor determine that requested repairs must be addressed immediately to ensure the health and safety of a household, they can submit a written request to the City of Inglewood, which at its discretion, may allow a household to bypass the waitlist.



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The submitted online application will be reviewed for completion and eligibility within five business days. If there are missing or uploaded documents that do not meet the criteria, staff will send a question via the online system.

***Review and Approval:***

Habitat LA's Home Preservation Program Manager screens all applicants to ensure program eligibility through a thorough review of each application and supporting documentation to establish property ownership, occupancy and residence status, and income level. If necessary, Habitat LA will collect supporting documentation from third-party sources, allowing us to verify that the information supplied on the program application is true and complete.

Homeowners must meet the following eligibility criteria to receive assistance through the City of Inglewood-funded Minor Home Repair Program:

- Eligible households must be located in the City of Inglewood
- Eligible households must be considered "low-income" earning less than 80% of the area median income, when adjusted for family size, as determined by HUD
- Eligible households must be current on all mortgage, property tax, and insurance payments
- Eligible households must not have received assistance from the City of Inglewood in the last five years
- The property must be a single-family home or condominium
- The property must be owner-occupied
- Per City of Inglewood Requirements, the property must have a fee simple title
- The property must be habitable
- Eligible homeowner(s) must be either a U.S. Citizen or a Permanent Legal Resident
- Homeowner must be in good standing with the USA Patriot Act and Executive Order 13224

Households that are eligible to receive services through the wider Habitat LA Home Preservation Program but are not located in the City of Inglewood may receive assistance through other funding sources or programs, if qualified and available.

**Supporting Documentation:**

The Home Preservation program manager will collect supporting documentation to ensure that applicant households meet eligibility requirements set by the City of Inglewood.

Required supporting documents include:

- **Verification of ownership:** a copy of the property deed, title report or insurance issued within the last year, a property tax bill, or a property profile or cover from the title company
- **Verification that the property is in the City of Inglewood:** Habitat LA will compare the address of the property to the Inglewood Boundary Map



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- **Verification that the home is owner-occupied and is the owner's principal place of residence:** A copy of the homeowner(s)'s most recent mortgage statement (if applicable), a copy of a recent utility bill listing homeowner's full name and address
- **Verification of household size:** Habitat LA staff will verify household size using third-party sources including tax statements, birth-certificates, court orders, etc. If a household includes an adult-dependent who is a full-time student, Staff will obtain verification of full-time student status
- Proof of a current homeowner's insurance policy, including flood insurance where applicable
- Condominium owners must submit proof of liability insurance for common areas
- A copy of one of the homeowner's most recent utility bills (gas, power, water, phone, etc.) in their name and displaying the property address
- A copy of a valid Photo ID and Social Security Cards for all homeowners on title
- **Verification of income-eligibility:** If necessary, third-party verification of income for all members of the household will be collected. The following documentation will be accepted:
  - Gross Employment Income: employment verification from employer; copies of the most recent four weeks of paycheck stubs; certified copies of tax returns and W2's if within the first quarter of the new calendar year, including a signed 4506 form; copy of employment contract, which must specify the earnings amount and expiration date
  - If self-employed: certified copies of tax returns with signed 4506 form for the previous 2 years (including all attachments, specifically Schedule C) or audited financial statements
  - If receiving social security benefits: written verification from the Social Security Administration; copy of award letter stating the benefit amount; or a copy of bank statement verifying the direct deposit of the benefit amount
  - For other sources of income, the following third-party verification sources are accepted: child support, alimony, and monthly benefit statements for all household members receiving any form of benefit; and complete copies of current checking and/or savings account statements for three consecutive months (including but not limited to stocks, IRAs, pension accounts, and mutual funds)
  - If income is inconsistent or cannot be verified through traditional methods, Habitat LA will assess the household on a case-by-case basis. Verification of income will be presented to the City of Inglewood prior to continuing with the application process.
- **Verification of eligibility to receive funding from the City of Inglewood:** Habitat LA will confirm with the City of Inglewood that the household has not received services in the past five years. If the requested repairs are found to be necessary due to health and safety-related concerns, Habitat LA will seek approval from the City of Inglewood prior to continuing the application process.



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**Conflict of Interest**

Habitat LA will verify that the household requesting assistance do not have any conflicts of interest that would make them ineligible to receive services through the City of Inglewood Minor Home Repair grant. Conflicts of interest include current or recent employment with the City of Inglewood or Habitat LA.

***Denials of Service:***

Households that do not meet requirements listed above will be notified of the reason for their denial. If the reason for the denial can be resolved, the household may dispute the denial of service and demonstrate resolution of the reason for their denial (e.g., provide outstanding documentation to complete their application) to reopen their application file.

If after review, the household is found to be ineligible, the applicant will be emailed a *Household Ineligible Letter* and provided with a list of community resources. Applications that are determined to be eligible will be scheduled for an assessment of their home.

***Client Recordkeeping:***

Habitat LA's Home Preservation team will maintain all project files at Habitat LA's main office in the city of Bellflower. Files will be maintained in secured, locked file cabinets or in our online system. Only designated staff will have access to these files and cabinets. Copies of property assessment reports, photos, correspondence between the City of Inglewood and Habitat LA, subcontractor quotes and proposals, invoices and receipts, approved change orders and permits will be maintained in each project file. Files will be made available to the city for monitoring, as needed.

Homeowner applications and supporting documentation will be organized as follows:

- Tab 1: Application Checklist and Correspondence
- Tab 2: Application forms, Personal Identification, Income Documentation
- Tab 3: Property Information and Documentation (e.g., title report, mortgage statement, insurance policy, etc.)
- Tab 4: Assessment Report, Agreement Forms (Homeowner Contract)

***Construction/Rehabilitation:***

**The Property Assessment:**

Once a household is found to be eligible to receive services through the City of Inglewood Minor Home Repair Grant program, the household will be submitted to the Site Supervisor for a property assessment. The Site Supervisor will schedule an assessment with the household, informing them that access to all areas of the property is required.



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At the assessment, the following will take place:

1. The assessor will conduct a thorough inspection to assess the repairs needed and prepare work specifications. Emphasis will be placed on the major systems: roofing, electrical, plumbing, HVAC, foundation, etc.
2. During the assessment, the assessor will focus exclusively on the repair requests listed on the Home Preservation Program Assessment Form. These items will be based on the requests listed on the homeowner(s) application and confirmed with the homeowner(s) prior to the assessment. No other repair requests will be assessed unless the assessor deems the repair a health and/or safety concern for the homeowner of the property.
3. The assessors will take 'before' pictures of the home and property, including a view of the four sides of the property and each potential repair item, if possible. Once completed, 'after' pictures will be taken, including a view of the four sides of the property and each potential repair item, if possible.
4. The assessor will complete a "Work Write-Up form," a comprehensive report including a detailed description of each needed repair, location of the repair, type/quantity of materials to be used, permit requirement, potential need for a subcontractor, estimated value of labor, estimated cost of materials, priority of repair need (high, normal, low) and Habitat LA recommendations. The report will also include:
  - a. The scope of work, which will conform with program requirements, and planning and building requirements
  - b. Address and location of the repair project within the home
  - c. Performance standards
  - d. Permits (if necessary)
  - e. General Provisions
  - f. If applicable, plans; and
  - g. Any special conditions

The scope of work and Work Write-Up form will be maintained in the client file.

5. When the assessment report and recommendations are completed, Habitat LA will order lead testing, if required per HUD's Lead Safe Housing Rule. Further information is detailed below under "Lead-Based Paints"
6. Habitat LA will order termite inspections, following the procedure detailed below under "Termite Inspections"
7. Habitat LA will obtain historic clearances for any projects, as detailed below in "Historic Preservation"

In cases where the work being requested does not include eligible activities under CDBG requirements, Habitat LA will deny the household's application and provide a list of local resources that may assist them. In cases where the deterioration may be too extensive and/or exceed program limits, Habitat LA may request an increase of the program limit from the City of Inglewood. All homeowners must agree



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to the terms outlined within Habitat LA's Indemnification and Release for Unpermitted Home Improvements.

After the property assessment and report are completed and lead and termite assessments and historic clearances are obtained (if necessary), Habitat LA will conduct a final evaluation of the application. Staff will verify that the household income certification and supporting documents are correct and complete, that households earn 80% or less of the AMI using HUD's most recent income limits; and verify that all historic, Lead Based Paint, and environmental requirements are met. After this evaluation, Habitat LA will submit its recommendation along with the complete report to the City of Inglewood Economic and Community Development department for its review and approval. Habitat LA will conduct the repairs as approved and after receipt of a Notice to Proceed from the City of Inglewood.

Habitat LA will explain to homeowners that upon acceptance, work will be completed as Habitat LA's construction calendar allows and that not all requests for work may be completed.

Prior to the start of construction, Habitat LA will host a pre-construction conference at the homeowner(s)'s property. Habitat LA's Superintendent or Site Supervisor and the designated Program Manager will meet with the homeowner(s) at the property to discuss the scope of work, the estimated time frame, and answer any questions that the homeowner may have. If the homeowner agrees to the scope of work, terms, and timeframe, the homeowner and Habitat LA staff will sign a rehabilitation agreement which will serve as a contract between the homeowner and Habitat LA. The agreement will include the work write-up and construction plans, if required by the city.

**Work Performance:**

The Home Preservation team of Habitat LA will serve as liaison between the City of Inglewood Economic and Community Development department and qualified households. The Director of Home Preservation will serve as the main point of contact for Habitat LA. Under the Director's supervision, staff will maintain project records and coordinate repairs with homeowners. The Senior Vice President is responsible for addressing any contract agreement or procedural issues that may arise and supervises the Director of Home Preservation.

Habitat LA will field teams of construction staff members (team sizes will be dictated by project scope of work) which will be responsible for the execution of approved repairs. The Superintendent or Site Supervisors will be available, if necessary, to assist with the work, and will be responsible for ensuring all materials are available on site. Construction crew members will follow the direction of Site Supervisors and complete the physical work as needed. Site Supervisors will be responsible for purchasing materials, coordinating subcontractors, securing all necessary permits/inspections prior to commencement of work and overseeing progress.



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**Eligible Uses of Funds:**

Habitat LA will restrict the scope of services available to eligible households to those permitted by CDBG and HUD, including interior and exterior home repair services, mold and lead abatement, energy conservation activities, and security and safety improvements. Habitat LA will not use any CDBG funds to support ineligible activities.

Per CDBG requirements, the total cost of the project will not exceed \$15,000. If the Site Supervisor and Program Manager determine that repairs exceeding this limit are necessary for the health and safety of the household member(s), Habitat LA will seek approval from the City of Inglewood to increase the budget to no more than \$25,000 per household.

**Alternate Funding Sources:**

Habitat LA may be able to seek alternate funding or gift-in-kind services and materials to supplement CDBG funding from the City of Inglewood.

**Work Scheduling:**

Habitat LA's Director of Home Preservation, in conjunction with the Superintendent, will create project schedules, recommending specific dates to the homeowners via Habitat LA's Program Manager, who then coordinates and confirms dates with the homeowners. Habitat LA will prioritize its repairs based on a variety of factors, including the availability of the homeowner, the urgency /severity of the need due to emergency and/or code violations, and chronology of completed application.

Habitat LA will prioritize repairs that will correct health and safety deficiencies. If funds are available, corrections of code violations, repairs and alterations that improve accessibility for households including individuals living with disabling condition, repairs that make a home more energy-efficient, and other eligible repairs will be completed, in that order. If it can improve efficiency, Habitat LA will schedule multiple projects that are geographically similar. The Construction team has a designated set of Habitat LA work vans and will use those vehicles to drive to and from the repair sites. Procurement will be performed by the Site Supervisor and materials and/or equipment will be transported by the construction team. Habitat LA covers the cost of all gas, maintenance, and insurance for its construction staff.

**Change Orders:**

If the scope of work must be changed, the Director of Home Preservation, the Site Supervisor, and the homeowner must agree to and approve the changes. Homeowner agreements will be amended to note the changes in scope and costs as well as the date(s) of any amendments. Total cost of work will not exceed \$15,000 unless the City of Inglewood HUD Programs Manager determines that the repair is critical to the health and safety of the household.



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**City Inspection and Permits:**

Before work is completed, Habitat LA staff will inquire with the homeowner and city regarding existing code violations on the property. Within seven days of completing the Work Write-Up, Habitat LA's Site Supervisor will

determine if a permit is required from the City of Inglewood. Habitat LA will only continue this work if a permit is obtained. If a project requires a permit, Habitat LA will contact the City of Inglewood Building Inspector for inspection and a final signature on the permit before closing the project file.

**Environmental Review:**

Habitat LA's staff will provide all information required to complete the environmental review per 24 CFR Part 58 before beginning repair work as part of the Minor Home Rehabilitation Program.

**Historic Preservation:**

In keeping with the City of Inglewood's regulations regarding historic preservation of homes, Habitat LA's staff will verify the age of the property prior to beginning any work using the LA County Assessor website. If the property is found to be 50 years or older and the scope of work includes exterior work, Habitat LA will submit a Historic Eligibility Determination to the State Historic Preservation and receive a historic clearance for the property. If the home is found to be less than 50 years old or does not include exterior work, Habitat LA will complete Part A of the Historic and Architectural Assessment Form, as required by the City of Inglewood. Documentation will be maintained in each household file.

**Photos:**

Habitat LA's staff will take 'before' pictures at the time of assessment. Photos will include a view of the four sides of the property and each potential repair item, if possible. At the completion of the project, staff will take 'after' pictures.

**Property Standards and Quality Control:**

Habitat LA is a General Contractor with nearly 30 years of experience building, renovating, and repairing homes. Habitat LA will follow all current Uniform Build Code standards as well as the written rehab standards provided by the City of Inglewood. Its supervisory staff both have decades of construction experience and emphasize the critical importance of following all necessary building codes and pulling all necessary permits. We have a licensed architect on staff, many of our construction have experience in for-profit building, and we follow the industry's best practices and build to exceed standards. If there is a complaint, our Home Preservation team is well-equipped to handle the issue.

**Energy Efficiency:**

Whenever possible, Habitat LA's new-construction, rehabilitation, and repair staff



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incorporate energy-efficient features, including efficient HVAC systems, landscaping, and design features.

**Lead-Based Paint Inspections:**

Habitat LA's Site Supervisor and Field Construction Staff will be responsible for following all Lead Safe Work Practices for lead remediation or abatement work and all necessary certifications will be obtained by staff. If the house meets the requirements of HUD's Lead Safe Housing Rule, Habitat LA will order lead testing through a certified Environmental Company to perform a lead inspection of surfaces that may be disturbed during rehabilitation activities. This order will be placed within five business days. Once completed, Habitat LA will provide the assessment to the homeowner(s), who will sign an acknowledgement of receipt form. The form will also be stored in the household's file. If lead-based paint is found in the home, Habitat LA may sub out this work to qualified contractors that meet HUD and EPA requirements.

**Termite Inspections:**

If the household requests a termite inspection, Habitat LA will obtain three bids from a certified termite company to conduct an inspection and abatement. Habitat LA will request the inspect within five business days of a homeowner(s) request. Habitat LA will provide the assessment to the homeowner(s), who will then sign an acknowledgement of receipt form.

**Final Inspection:**

Once repairs have been completed, a final assessment of the property and repairs will be performed by Habitat LA's construction staff. If necessary, Habitat LA will obtain the Building Inspector's final inspection and/or sign-off. Habitat LA's program staff will be responsible for meeting with homeowners and signing off on the successful completion of all repair work as agreed upon.

Habitat LA staff will request that each household complete a customer satisfaction survey after repairs are completed.

**Reporting:**

Habitat LA staff will report regularly to the City of Inglewood throughout the grant term. At least weekly, staff will provide updates on the status of applications received, if required by the city.

Bi-monthly, Habitat LA staff will provide a report to the city detailing its use of funds for each application. The report will include:

1. Property address and activities completed
2. Funds budgeted and expenses to-date, from all funding sources
3. Beginning and end dates (or anticipate dated) for all activities
4. Demographic, income, and other family information needed to meet HUD reporting and performance requirements



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***Dispute Resolution:***

Habitat LA staff and Site Supervisor will work with the home repair participant throughout the application, assessment, and repair process to alleviate any concerns and address issues as they arise. Should the participant have any complaints about the program, the services provided, or Habitat LA's staff that cannot be immediately resolved, Habitat LA will direct homeowner(s) to submit a complaint to the HUD Programs Manager at the City of Inglewood Economic and Community Development Department.

Habitat LA will follow the conflict resolution procedure developed by the City of Inglewood and will work with the homeowner(s) and HUD Programs Manager to resolve the complaint in a timely manner. Habitat LA staff work directly with the home repair participant if there are any problems or complaints during work determination, while work is in progress, at job completion, and at some time after the job completion.

***COVID-19 Restrictions:***

Effective January 4, 2022, Habitat LA will require employees, interns, and volunteers who need, are required, or desire to enter any Habitat LA facility; travel on Habitat LA business; come into contact with other employees or volunteers, other Habitat organizations, or the public; or have to enter an occupied home for work, to conduct home repairs, or do home visits; ride in vehicles together; or pick up donations in a home to be fully vaccinated. Habitat LA volunteers subject to this policy means volunteers in worksites and programs organized or managed directly by Habitat LA, including construction, home repair, ReStore, office locations, special events, and U.S. sending program Global Village trips to any location.

These requirements will be reevaluated based on changing State and County COVID-19 guidelines.

***Subcontractors:***

Habitat LA works with a variety of subcontractors in its repair and construction projects. We reserve the right to use these subcontractors; however, it is our intention to complete the majority of repairs with Habitat LA construction staff. There is a potential that Habitat LA will sub out as needed to perform electrical, plumbing, and HVAC repairs. If asbestos abatement is necessary, Habitat LA will subcontract this work to a trained and suitable subcontractor.

Please see section F. Additional Information for a list of subcontractors that we have worked with in the past and may contract with to complete City of Inglewood Minor Home Repair projects. If Habitat LA does sub work to any subcontractor, we will collect (or update) the information required by the City of Inglewood in the Minor Home Repair Grant RFP.



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**Purchasing:**

Habitat LA's Superintendent and Site Supervisor will be responsible for purchasing materials. Material purchases will be made separately and specifically for City of Inglewood projects. No inventories will be maintained; however, Habitat LA will store its purchased materials, tools, and equipment in its Construction warehouse located at the site of the organization's headquarters in Bellflower, California. Habitat LA has two lines of credit to ensure availability of material: \$100,000 with The Home Depot and \$25,000 with Lowe's.

**D. Schedule**

If awarded the CDBG funding to administer the City of Inglewood's Minor Home Repair Grant Program, Habitat LA will dedicate the necessary time and staffing resources to ensure successful completion of the expected minimum number of rehab projects as well as an expenditure of 95 to 100% of the available funding.

The City of Inglewood's 2022 RFP states: *No less than five (5) minor home rehabilitation projects must be completed 90 days after notice to proceed and the billings be submitted to the city for reimbursement.* This timing stipulation in the RFP is challenging based on our experience running the program. It takes an average of 30 days for an applicant to submit all the required documents, as many of them do not have access to a computer. The vast majority of applicant homes are more than 50 years old requiring approval from the State Historic Preservation office for exterior work (approximately 30 days) and lead testing if disturbing surfaces (approximately 3 weeks). Additionally, each stage of the process requires a signature from the homeowner, which most often adds time, especially with current COVID precautions.

The table below states the minimum and maximum amount of business days at each stage of the process. At minimum, one project would take at least 58 days from requesting required documents to sending a billing packet to the city. This would be the best-case scenario as there are many unknowns when working with applicants, the State Historic Preservation office, lead testing consultants, and the City's Building and Safety office.

Days between activities are estimates as there are potential delays at each stage of the process.  
Proposed Rehabilitation Schedule:



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Minimum Business Days	Maximum Business Days	Activity
1	1	Reach out to next person on Habitat LA's waiting list from last year. Ask for application and required paperwork.
10	30	Receive all required paperwork (majority of applicants take a month to complete their application and provide all required documents).
5	10	Schedule and conduct in-person assessments, prepare estimates.
5	30	Request and await approval from State Historic Preservation Office
5	15	Order lead testing if necessary, receive results
5	10	City inspection before work begins to inspect for code violations (per page 7 of the RFP)*
5	10	Finalize scope of work with applicant, obtain applicant signatures
3	10	Send approval packet to city and receive Notice to Proceed*
3	10	Request and Obtain permits*
3	10	Coordinate start dates with team and homeowners
5	10	Perform rehab work
3	10	Request and receive final inspection*
5	10	Prepare and send billing packets
58	166	TOTAL

\* varies based on time it takes for the city staff to respond

**E. Compensation/Fee Schedule**

Please see below for Habitat LA's proposed compensation fee/schedule for the City of Inglewood Minor Home Repair Program.

Hourly Rate (includes taxes, insurance, workers compensation insurance) (Rates are subject to increase due to merit and cost of living adjustments):

- Superintendent: \$56.64
- Site Supervisor: \$46.45
- Construction Crew Member: \$25.50 - \$34.00



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#### Project Admin Fees:

Each project will include an administrative cost percentage of fifteen percent which will not be exceeded to be covered by the CDBG funding available to Habitat LA. The admin fee will cover the following expenses:

- Program marketing and outreach
- Application review
- Property title, income, and asset verification
- Development of work write-up and specifications
- Contract management (includes all desk and physical review or monitoring of construction progress and all payouts)
- Time for meetings with city staff and subcontractors
- Dispute resolutions
- Administrative oversight

#### **F. Additional Information**

##### ***Experience Stewarding Federal, State, and local Funds:***

Habitat LA has extensive experience stewarding federal, state, and local funds including HOME, SHOP, CDBG, NSP, and CalHome Program funds from the State of California. We have consistently satisfied and exceeded program requirements. Due to our diligence and commitment to quality in all our projects, we have developed new relationships with cities and the County of Los Angeles to provide minor home repair services to low-income households within their communities.

Of note in our organization's history, Habitat LA was a sub-recipient of nearly \$34 million in Neighborhood Stabilization Program 2 funds between 2010 and 2013. Habitat LA was successful in utilizing those funds to acquire and rehabilitate 104 foreclosed, single-family residential properties across the Cities of Long Beach, Lynwood, and South Gate and constructed 13 new, single-family residential properties in the City of Lynwood. Habitat LA also took on the responsibility of recruiting and qualifying every first-time, low-income homebuyer for the properties it built and rehabbed.

Habitat LA aims to build LEED compliant properties for each of its developments. Most Habitat LA homes contain green features, including energy-efficient design, lighting, heating and cooling systems, and Energy Star appliances; active solar technology; recyclable building materials, energy friendly green siding, thermal pane windows and doors, recycled carpets; low emission finishes - paints and varnish with low VOC; water-efficient toilets and showerheads; water filtration systems to minimize pollution from storm runoff; native drought-tolerant landscaping; recycled blown-in insulation and Dow foam insulation.



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Since 2020, Habitat LA has been awarded more than \$6.7 million in CalHome funding from the State of California Housing and Community Development department, to provide owner-occupied home repairs, disaster recovery support, and first-time homebuyer support in the form of gap financing loans. Habitat LA is currently in contract with the cities of Pico Rivera and Whittier to administer CDBG funded owner-occupied rehabilitation programs for low-income residents within those respective cities. In 2022, Habitat LA was awarded a HUD Housing Counseling grant to provide housing counseling services to families hoping to become first-time homeowners.

***Experience Serving the City of Inglewood:***

In addition to serving the Los Angeles County community for more than 30 years, Habitat LA has developed relationships with organizations and businesses serving the City of Inglewood. Our Board of Directors includes the Pastor of Business & Finance/CFO of Faithful Central Bible Church which has served the Inglewood community since 1936.

We also count as members of our Board of Directors the Vice President and Executive Vice President of AECOM that with Turner Construction Companies, Inc. (which we count as supporters of our new-construction projects) who built the new Rams stadium in the city.



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***Habitat LA Vendor List***

Habitat for Humanity GLA Vendors List

Name	Vendor Type	Phone #/Fax	Address 1	Address 2	E-Mail Address	Lic.
1 Stop Building Construction	General Contractor Services	5623187515	2919 E Sawyer St	Long Beach, CA 90805	<a href="mailto:1sbcancel@gmail.com">1sbcancel@gmail.com</a>	973350
411 Restoration	Lead Testing	562-396-0242				
A Cost Cutting Plumbing	Plumbing /Refrigeration	323-780-0211	PO Box 3036	Alhambra, CA. 91803	<a href="mailto:officecostcuttingplumbing">officecostcuttingplumbing</a>	895846
A First Electric	Electrical	323-493-7508	17701 S. Avalon Blvd. #250,	Carson, CA 90746	<a href="mailto:electricaninja@yahoo.com">electricaninja@yahoo.com</a>	1020566
A&A Property Inspections LLC	Lead Testing	949-529-2121	1024 Bayside Dr	Newport Beach, CA 92660	<a href="http://aapropertyinspection.com">aapropertyinspection.com</a>	
A-1 All American Roofing WLA	Roofing Contractor	562-529-8100	15321 Texaco Ave.	Paramount, CA 90723	<a href="mailto:jfitch@800roofusa.com">jfitch@800roofusa.com</a>	810831
A-1 Coast Rentals	Site Temp Rental	310-326-1910/Jenna	24000 Crenshaw Blvd	Torrance, CA 90505		
Access Bath Systems/Martes Refinishing	Plumbing/Refinishing	8667459370				743980
Air Works Heating & Air Conditioning	HVAC maintenance		22134 S Vermont Ave. STE C	Torrance, CA 90502		
All A/C Heating Co.	HVAC maintenance	800.303.4288	4826 W. Adams Blvd	Los Angeles, CA 90016		
Anderson & Howard Electric, Inc.	Electrical		1791 Reynolds Avenue	Irvine, CA 92614		
Anthony's Ready-Mix	Concrete	310-5429400	4500 Manhattan Beach Blvd.	Lawndale, CA. 90260		
Apex Building Supplies	Roofing/Stucco/Drywall/Lighting	562-983-1555/562-372-3959	1438 W 15th St.	Long Beach, Ca. 90813	<a href="mailto:jjackson@apexbuildingsupplies.com">jjackson@apexbuildingsupplies.com</a>	586047
Barber Roofing, Inc.	Roofing	661-724-1094	13979 Elizabeth Lake Road	Lake Elizabeth, CA.93532		
Browning Fire Protection, Inc.	Electrical		2335 Abalone Ave	Torrance, Ca. 90501		
Chandler's Roofing, Inc.	Roofing	310-831-7663	403 W. 21st.	San Pedro, CA. 90731		
Cost Cutting Plumbing	Plumbing	800-940-7022	P.O. Box 3026	Alhambra, CA. 91803	<a href="mailto:costcuttingplumbing@gmail.com">costcuttingplumbing@gmail.com</a>	
Culver Plumbing Inc.	Plumbing Subcontractor	310.671.7473	10712 S. Inglewood Blvd	Inglewood, CA 90304		710437
Cypress Heating & AC	Plumbing/Refrigeration	626-968-9810	547 S. Lorain	Glendale, Ca. 91203		302865
Eagle Portables, Inc.	Site Temp Rental	310-955-7697	P.O. Box 1884	Lynwood, CA 90262	<a href="mailto:infor@eagleportable.com">infor@eagleportable.com</a>	
Economy Heating & Air Conditioning, Inc.	HVAC Maintenance	800.660.9170/Judi	9170 Esther Street	Cypress, CA 90630		
Ernesto Ramos Roofing	Roofing Subcontractor	951-906-8095	35557 Verde Vista Way	Wildomar, CA 92595	<a href="mailto:ramosroof1@verizon.net">ramosroof1@verizon.net</a>	821005
G & F Concrete Cutting, Inc.	Concrete Cutting/Demolition	714-648-0397/714-550-0624	P.O. Box 10215,	Santa Ana, CA. 92711-0140	<a href="mailto:r.ferguson@gfconcretecutting.com">r.ferguson@gfconcretecutting.com</a>	590310
GALI Construction	Manufactured Home Contractor	3103292968	2210 E. Gladwick Street	Compton, Ca. 90220	<a href="mailto:info@galconstruction.com">info@galconstruction.com</a>	
Harms Concrete Construction	Concrete Subcontractor	714) 843-0077	P.O. Box 4186	Huntington Beach, CA 92605		
HM Carpet, Inc.	Carpet/Vinyl/Tile/Hardwood	310-516-9272 / 310-516-2006	146 E Alondra Blvd	Gardena, CA 90248	<a href="mailto:oscar@hmc carpet.net">oscar@hmc carpet.net</a>	791077
Hurtado Plumbing	Plumbing	818/232-2454				977491
HVAC Consulting Heating & AC Service	Heating & Air Conditioning	888-720-3607	1251 W. Sepulveda Blvd.	Torrance, CA. 90502	<a href="mailto:Jeff.Thomas@hvaccs.com">Jeff.Thomas@hvaccs.com</a>	925544
J.C. Estrada Roofing, Inc.	Roofing - ABWK	(310) 305-2820	11517 Braddock Dr.	Culver City, CA 90230		
JFP Construction Co.	General Contractor Services	909-261-6355	1153 E. Bermuda Dunes St.	Ontano, CA.	<a href="mailto:jfconstruction2verizon.net">jfconstruction2verizon.net</a>	965462
JW Flooring	Carpet/Vinyl	909-223-7204	9881 Carroll Centre Rd	San Diego, CA 92128	<a href="mailto:james@jwflooring.com">james@jwflooring.com</a>	
M&M Floor Covering, Inc.	Flooring Contractor	310-515-9007/310-515-9020	15010 S. Main Street,	Gardena, Ca. 90248	<a href="mailto:crista@mmfloorcovering.com">crista@mmfloorcovering.com</a>	
Manolia Roofing Company	Roofing		3988 Danker Ave.	Los Angeles, CA 90052		
Marrs Services, Inc.	Environmental Testing	562-407-1094/562-926-4601	205 S. Broadway, Ste. 618,	Los Angeles, Ca. 90012	<a href="mailto:svivia@marrscorp.com">svivia@marrscorp.com</a>	
Neighborhood Plumbing	Plumbing	8557625325		Long Beach, CA 90805		
O'Donnel Door Inc.	Garage Doors	5627567973	PO Box 6273	Whittier, CA 90609		
OL Development, Inc.	General Contractor Services	818-783-9800	14852 Ventura Blvd.,	Sherman Oaks, Ca.91403	<a href="mailto:oldevelopment@att.net">oldevelopment@att.net</a>	870164

Habitat for Humanity GLA Vendors List

Name	Vendor Type	Phone #/Fax	Address 1	Address 2	E-Mail Address	Lic.
1 Stop Building Construction	General Contractor Services	5623187515	2919 E Sawyer St	Long Beach, CA 90805	<a href="mailto:1sbcangel@gmail.com">1sbcangel@gmail.com</a>	973350
Olive Mill Manufacturing, Inc.	General Contractor Services	714-526-3789/714-528-7114	4247 E. La Palma Ave.	Anaheim, CA. 92807	<a href="mailto:valerie@olivemill.com">valerie@olivemill.com</a>	823217
OM Roofing, Inc.	Roofing Contractor	310-295-9586/310-982-1267	941 Brightwood St.,	Monterey Park, Ca. 91754	<a href="mailto:becky@omroofing.com">becky@omroofing.com</a>	843668
Orco Block Co.	Concrete	714-527-2239/808	11100 Beach Blvd.	Stanton, Ca. 90680		
Paramount Ready Mix Concrete	Concrete	562-404-4125/Jenny	P.O. Box 2823	Santa Fe Springs, Ca. 90670		
Paramount Scaffold, Inc.	Scaffolds/Shoring	310-324-3388/310-324-3548	16525 S. Avalon Blvd.	Carson CA. 90746		584229
Partida's Glass and Garage Doors	Garage Doors	5622468686	18925 Clark Avenue	Bellflower. CA 90706		
Patent Construction Systems	Scaffolds/Shoring	310-830-8102	21222 S. Wilmington Ave.	Carson, CA 90810		
PODS	POD rental	800-776-7637 x6379	P.O. Box 31673	Tampa, FL 33631-3673		
R C Air Systems	Heating & Air Conditioning	714-630-2200	3911 E. La Palma Ave.	Ansheim, Ca.	<a href="mailto:rick@rcairsystem.com">rick@rcairsystem.com</a>	598110
RBT Electric	Electrical	800-661-5006	PO Box 34	Irvine Ca. 92650	<a href="mailto:ryan@rbt-electric.com">ryan@rbt-electric.com</a>	
Rebecca Construction Inc.	Services HVAC	909-714-6597	1105 W. "J" St 6250 Paramount Blvd	Ontano, CA. 91767 Long Beach CA. 90805	<a href="mailto:om">om</a>	944788
Rites of Passage Industries	General Contractors Services	310-694-7027	3422 W. 112TH St.	Inglewood Ca. 90303	<a href="mailto:ritesofpassage@comf5.com">ritesofpassage@comf5.com</a>	952401
Roof Replacament Inc.	Roofing	213-808-4178	2145 N. Kenwood St,	Burbank, CA 91505	<a href="mailto:info@roofreplacementca.com">info@roofreplacementca.com</a>	1063655
S & K Lynch, Inc. dba Lynch Electric GBC	Electrical	888-365-9624	2537-DE Pacific Coast Hwy. #189	Torrance CA. 90505	<a href="mailto:contract@lynchelectric.us">contract@lynchelectric.us</a>	701001
SDG Enterprises dba Century West Plumbing	Plumbing		822 Hampshire Road # H	Westlake Village, CA. 91361	<a href="mailto:sandconstruction@yahoo.com">sandconstruction@yahoo.com</a>	
Solomon's Temple	General Contractor Services	310-994-7519	18112 Jersey Ave.	Artesia Ca. 90701	<a href="mailto:m">m</a>	668804
T.D.Q. Equipment, Inc.	Concrete Pumping Service	Ted Dykder	P.O. Box 842	La Habra, Ca. 90633	<a href="mailto:rocspitter57@hotmail.com">rocspitter57@hotmail.com</a>	51033
Team Rid-a-Mite	Termite Fumigation	8183997285	6308 Woodman Avenue Ste. 115	Van Nuys, CA 91401		
Techno A/C and Heating	A/C Heating	818-326-1184	1902 Elliot Drive	Burbank, Ca 91501	<a href="mailto:jroac@sbeglobal.net">jroac@sbeglobal.net</a>	936226
Three Star Construction	General Contractors Services	323-439-2455	346 W. Elm St.	Compton, Ca 90220	<a href="mailto:rharnsthc@yahoo.com">rharnsthc@yahoo.com</a>	645282
Tri-City Glass	Glazing	310-830-2410	22232 S. Avalon Blvd.,	Carson, CA		
Tr-Tech Restoration & Construction	General Eng. & Builder	818-565-3900	3301 N. San Fernando Blvd,	Burbank, Ca. 91501	<a href="mailto:bill@tritechrestoration.com">bill@tritechrestoration.com</a>	501801
Universal Abatement Services	Abestos Abatement	8008369508	1450 S. Burlington Ave.	Los Angeles, Ca.	<a href="mailto:jamieson Bruce@hotmail.com">jamieson Bruce@hotmail.com</a>	710086
Upgrade Electric Inc.	Electric	562-429-3313/562-428-785	1641 E. 65th Street	Long Beach, CA. 90805-2501	<a href="mailto:upgradeelectric@yahoo.com">upgradeelectric@yahoo.com</a>	23531
US Airconditioning	AC	626-854-4500	16900 Chestnut St.	City of Industry, Ca. 91748		
VanDerPas Electric	Electrical Subcontractor	562) 225-0864	3822 Wilton Street 1645 Rancho Santa Fe Road #103,	Long Beach, CA 90804 San Marcos, CA 92078	<a href="http://www.vm3enviro.com">www.vm3enviro.com</a>	750392
VM3 Environmental, Inc.	Lead Testing	760-273-9728 ext. 700	440 W. Sierra Madre Ave.,	Glendora Ca. 91741	<a href="mailto:Bianca@vobecky.com">Bianca@vobecky.com</a>	939311
Vobecky Enterprises, Inc.	General Contractor Services	626-852-5800/626-605-5023				
Walters Wholesale Electric Co.	Electrical Supplies	562-988-3100	P O Box 91929	Long Beach, CA 90809-1929		
Window King	Windows	562-372-0219				1054542

# **EXHIBIT 4**

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# **QUARTERLY REPORT**

Appendix H

	<p><b>City of Inglewood</b> <b>Community Development Block Grant (CDBG)</b> <b>Quarterly Report</b></p>	
<p>Community Development Block Grant Division One West Manchester Blvd, Suite 750 Inglewood, CA 90301 (310) 412-8844, Fax: (310) 330-5756</p>		

**AGENCY NAME:**

**REPORTING PERIOD:** (Please check one)

- Period 1
- Period 2
- Period 3
- Period 4

**CONTACT PERSON:**

**TELEPHONE NUMBER:**

**EMAIL ADDRESS:**

**PROJECT TITLE:** Minor Home Rehabilitation Program 2021-2022

**FISCAL YEARS:**

**Please Note:** Quarterly Reports are due fifteen (15) days after the end of the reporting period:  
(Period 1); (Period 2); (Period 3); (Period 4)

1. **PROGRAM NARRATIVE SUMMARY:** Briefly describe program accomplishments and activities for the reporting period (i.e. number of homes completed; number of applications pending approval, number of applicants on the waiting list, etc.). Identify any difficulties encountered and note any changes in the staffing, program delivery, or activities.

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

2. **TOTAL NUMBER OF CLIENTS:** Summarize the total number of **NEW** projects completed during the reporting period:

3. **CLIENT INCOME CHARACTERISTICS DATA:** Summarize the total number of **NEW** clients served during the reporting period. Clients may be counted only *one* time regardless of the number of times that services were provided to the client:

Income Categories	Total Clients
<b>Extremely Low-Income</b> (30% or below median family Income)	
<b>Very Low-Income</b> (50% or below median family income)	
<b>Low-Income</b> (80% or below median family income)	

**Income Limits, Effective April 1, 2021**

Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
<b>1 Person</b>	\$24,850	\$41,400	\$66,250
<b>2 Person</b>	\$28,400	\$47,300	\$75,700
<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900

4. **AGE DATA:** List the total number of **NEW** household members in each age group with projects that were completed during the reporting period:

Years of Age	Total Clients
0-4	
5-10	
11-13	
14-18	
19-35	
36-49	
50-61	
62-79	
80+	

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

5. **FEMALE HEAD OF HOUSEHOLD DATA:** List the total number of **NEW** female head of households served during the reporting period:

Total number of female head of household served:	
--	--

6. **GENDER DATA:** List the total number of **NEW** female and male head of households served during the reporting period:

Sex	Total Clients
Female	
Male	

7. **RACIAL and ETHNICITY DATA:** For each racial category below, list the total number of **NEW** clients in each racial category served during the reporting period (totals must be cumulative):

Race/Ethnicity	Total Clients	Total Hispanics
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
Am. Indian/Alaskan Native & Black/African Am.		
Other Multi-Racial		
<b>Total Clients:</b>		

8. **PROGRAM MARKETING:** List the marketing source(s) (website, flyers, presentations or newspaper advertisement, etc.), publication/distribution dates, and total number of documents distributed during the reporting period.

***Attach copies of each publication to the bi-monthly report:***

Marketing Source	Date of Publication/Distribution	Total Number Distributed



City of Inglewood  
 Minor Home Rehabilitation Program  
 Quarterly Report

10. **PROGRAM ACTIVITY:** List the Activity data for those projects serviced during the reporting period:

	<b>Project Identification Number</b>	<b>Completed Home Rehabilitation Projects Activity</b> (Please List Street Addresses)	<b>Date Project Completed</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Underway</b> (Please List Address)	<b>Date Underway Project Began</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

**LEAD PAINT HAZARD ACTIVITY:**

- a. Please list the lead-based paint hazard activity data for those projects serviced during the reporting period.

<b>Applicable Lead Paint Requirement:</b>	<b>Number of Units</b>
Housing Constructed before 1978	
Exempt: Housing Constructed 1978 or later	
Exempt: No Paint Disturbed	
Otherwise Exempt	
<b>TOTAL:</b>	

- b. Please list the lead-based hazard remediation activities for those projects serviced during the reporting period.

<b>Lead Hazard Remediation Action</b>	<b>Number of Units</b>
<b>Lead Safe work Practices</b> (24 CFR 35.930(b)) – Project <i>Hard Costs</i> up to \$5,000	
<b>Interim Controls</b> (24 CFR 35.930 (c)) – Project <i>Hard Costs</i> between \$5,000 and \$25,000	
<b>Abatement</b> (24 CFR 35.930(d)) – Project <i>Hard Costs</i> exceeding \$25,000	
<b>Total:</b>	

11. **Contractors, Subcontractors, Laborers, Third-Party Vendors:** Please list the names and/or business names of the different providers of goods and services provided during the service period for projects completed during the reporting period.

<b>Names/Business Names</b>	<b>Services or Goods Provided</b>	<b>Total Number of Projects Served during the Reporting Period</b>
<i>ABC Termite</i>	<i>Termite Extermination</i>	3
<i>Acme Roofing</i>	<i>Roofing</i>	7
<i>Home Depot</i>	<i>Supplies</i>	7

City of Inglewood  
Minor Home Rehabilitation Program  
Quarterly Report

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**CERTIFICATION:** I/We certify, to the best of my/our knowledge and belief, that the statements and data in this report are true, current, and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Prepared By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

**Report Reviewed and Approved for Submission By:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

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Please submit reports to the City of Inglewood-CDBG Division, attention of Ms. Lori C. Jones, Grants Coordinator, at the following address:

**City of Inglewood**  
**Community Development Block Grant (CDBG) Division**  
One West Manchester Blvd, Suite 750  
Inglewood, CA 90301  
Attn: Lori C. Jones, Grants Coordinator

## **EXHIBIT 5**

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# **END OF YEAR SUMMARY REPORT**

Exhibit 5

	<p style="text-align: center;"><b>City of Inglewood</b> <b>Community Development Block Grant (CDBG)</b> <b>Year - End Summary Report</b> <b>End of Service Period</b> Community Development Block Grant Division One West Manchester Blvd, Suite 750 Inglewood, CA 90301 (310) 412-8844, Fax: (310) 330-5756</p>	
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**AGENCY NAME:** Habitat for Humanity of Greater Los Angeles

**REPORTING PERIOD:** (Please check one)

End of Service Period (August – February 28, 2022)

**CONTACT PERSON:** President and CEO

**TELEPHONE NUMBER:**

**EMAIL ADDRESS:**

**PROJECT TITLE:** Minor Home Rehabilitation Program 2021-2022

**FISCAL YEARS:** 2020-2021, 2021-2022

**Please Note: Year-End/End of Service Period Report is due: March 31, 2022**

- PROGRAM NARRATIVE SUMMARY:** Briefly describe program accomplishments and activities for the reporting period (i.e. number of homes completed; number of applications pending approval, number of applicants on the waiting list, etc.). Identify any challenges or difficulties encountered that impacted program delivery and note any changes in the staffing, program delivery, or activities.

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

2. **TOTAL NUMBER OF CLIENTS:** Summarize the total number of projects completed during the reporting period:

3. **CLIENT INCOME CHARACTERISTICS DATA:** Summarize the total number of clients served during the reporting period. Clients may be counted only *one* time.

Income Categories	Total Clients
<b>Extremely Low-Income</b> (30% or below median family Income)	
<b>Very Low-Income</b> (50% or below median family income)	
<b>Low-Income</b> (80% or below median family income)	

**Income Limits, Effective April 1, 2021**

Income Limit Category	Extremely Low (30%) Income Limits	Very Low (50%) Income Limits	Low (80%) Income Limits
<b>1 Person</b>	\$24,850	\$41,400	\$66,250
<b>2 Person</b>	\$28,400	\$47,300	\$75,700
<b>3 Person</b>	\$31,950	\$53,200	\$85,150
<b>4 Person</b>	\$35,450	\$59,100	\$94,600
<b>5 Person</b>	\$38,300	\$63,850	\$102,200
<b>6 Person</b>	\$41,150	\$68,600	\$109,750
<b>7 Person</b>	\$44,000	\$73,300	\$117,350
<b>8 Person</b>	\$46,800	\$78,050	\$124,900

4. **AGE DATA:** List the total number of household members in each age group with projects that were completed during the reporting period:

Years of Age	Total Clients
0-4	
5-10	
11-13	
14-18	
19-35	
36-49	
50-61	
62-79	
80+	

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

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5. **FEMALE HEAD OF HOUSEHOLD DATA:** List the total number of female head of households served during the reporting period:

Total number of female head of household served:	
--	--

6. **GENDER DATA:** List the total number of head of households served during the reporting period:

Sex	Total Clients
Female	
Male	
<b>Total:</b>	

7. **RACIAL and ETHNICITY DATA:** For each racial category below, list the total number of clients in each racial category served during the reporting period (totals must be cumulative):

Race/Ethnicity	Total Clients	Total Hispanics
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native & White		
Asian & White		
Black/African American & White		
Am. Indian/Alaskan Native & Black/African Am.		
Other Multi-Racial		
<b>Total Clients:</b>		

8. **PROGRAM MARKETING:** List the marketing source(s) (website, flyers, presentations or newspaper advertisement, etc.), publication/distribution dates, and total number of documents distributed during the reporting period.

***Attach copies of each publication to the bi-monthly report:***

Marketing Source	Date of Publication/Distribution	Total Number Distributed



City of Inglewood  
 Minor Home Rehabilitation Program  
 Year End Summary Report

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**10. PROGRAM ACTIVITY:** List the total activity data for the projects serviced during the reporting period:

	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects Completed</b> (Please List Street Addresses)	<b>Date Project Completed</b>
1.			
2.			
3.			
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5.			
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25.			
26.			
27.			
28.			
29.			
30.			

City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

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	<b>Project Identification Number</b>	<b>Home Rehabilitation Projects <u>Underway</u> (Please List Address)</b>	<b>Date Underway Project Began</b>
1.			
2.			
3.			
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17.			
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19.			
20.			

City of Inglewood  
 Minor Home Rehabilitation Program  
 Year End Summary Report

**LEAD PAINT HAZARD ACTIVITY:**

- a. Please list the lead-based paint hazard activity data for the total number of projects serviced during the reporting period.

<b>Applicable Lead Paint Requirement:</b>	<b>Number of Units</b>
Housing Constructed before 1978	
Exempt: Housing Constructed 1978 or later	
Exempt: No Paint Disturbed	
Otherwise Exempt	
<b>TOTAL:</b>	

- b. Please list the total number of lead-based hazard remediation activities for projects serviced during the reporting period.

<b>Lead Hazard Remediation Action</b>	<b>Number of Units</b>
<b>Lead Safe work Practices</b> (24 CFR 35.930(b)) – Project <i>Hard Costs</i> up to \$5,000	
<b>Interim Controls</b> (24 CFR 35.930 (c)) – Project <i>Hard Costs</i> between \$5,000 and \$25,000	
<b>Abatement</b> (24 CFR 35.930(d)) – Project <i>Hard Costs</i> exceeding \$25,000	
<b>TOTAL:</b>	



City of Inglewood  
Minor Home Rehabilitation Program  
Year End Summary Report

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**CERTIFICATION:** I/We certify, to the best of my/our knowledge and belief, that the statements and data in this report are true, current, and correct.

Prepared By:  
Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Report Reviewed and Approved for Submission By:**

Name/Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

---

Please submit reports to the City of Inglewood-CDBG Division, attention of Ms. Lori C. Jones, Grants Coordinator, at the following address:

**City of Inglewood**  
**Community Development Block Grant (CDBG) Division**  
One West Manchester Blvd, Suite 750  
Inglewood, CA 90301  
Attn: Lori C. Jones, Grants Coordinator

# **ATTACHMENT NO. 2**

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
INGLEWOOD, CALIFORNIA, AMENDING THE FISCAL YEAR  
2021-2022 BUDGET TO INCREASE COMMUNITY  
DEVELOPMENT BLOCK GRAND FUNDS FOR THE MINOR  
HOME REPAIR PROGRAM**

WHEREAS, July 20, 2021, the City Council approved the 2021-2022 Annual Action Plan for grantees of Community Development Block Grant (CDBG) funds; and

WHEREAS, in approving the Plan the City's CDBG Division received authority to allocate CDBG funds for its Minor Home Rehabilitation Grant Program for minor home rehabilitation and repairs; and

WHEREAS, it is necessary to amend to FY 2021-2022 Budget to transfer monies for between accounts as shown in Exhibit A and there is no impact to the general fund;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF  
INGLEWOOD DOES RESOLVE AS FOLLOWS:**

**Section 1.** That the FY 2021-2022 Budget is hereby amended as shown in Exhibit A, attached hereto and incorporated herein by reference.

**Section 2.** The City Clerk shall certify to the adoption of this resolution and the same shall be in full force and effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_  
2022.

\_\_\_\_\_  
James T. Butts, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Aisha L. Thompson, City Clerk

Exhibit A

Fund: 221 CDBG Fund  
 Agency: 031 Housing, Section 8 & CDBG  
 Orgn: 3156 Capital Programs

Rev Source		FY2021-22 Budget	Amendment Request	Increase/ (Decrease)
5265.00	HUD-CDBG Carryover	\$ 200,000	\$ 700,000	\$ 500,000
<b>Total</b>		<b>\$ 200,000</b>	<b>\$ 700,000</b>	<b>\$ 500,000</b>

Fund: 221 CDBG Fund  
 Agency: 031 Housing, Section 8 & CDBG  
 Orgn: 3156 Capital Programs

OBJECT CODE		FY2021-22 Budget	Amendment Request	Increase/ (Decrease)
45095.00	Minor Home Rehabilitation Program	\$ 275,834	\$ 775,834	\$ 500,000
<b>Total</b>		<b>\$ 275,834</b>	<b>\$ 775,834</b>	<b>\$ 500,000</b>
<b>Total:</b>				<b>\$ 1,000,000</b>



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** May 9, 2023

**TO:** Mayor and Council Members

**FROM:** Section 8, Housing, and Community Development Block Grant Department

**SUBJECT:** Fiscal Year 2022-2023 Minor Home Repair Grant Program Implementation and Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity of Greater Los Angeles

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### RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

1. Approve Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity of Greater Los Angeles (Habitat), extending the term of the agreement by one (1) year and increasing the funding by \$500,000 to cover the additional year (maximum amount not to exceed \$1,000,000) (Grant Funds); and
2. Adopt a resolution amending the Fiscal Year 2022-2023 Budget to increase Community Development Block Grant (CDBG) funds for the Minor Home Rehabilitation Program (Program) in the amount of \$500,000 to continue the Program for an additional year.

### BACKGROUND:

On July 27, 2022, the City Council approved the 2022-2023 Annual Action Plan (Plan), as required for Grantees of CDBG funds, regulated by the United States Department of Urban Development (HUD). In approving the Plan, the City received authority to allocate CDBG funds for the Minor Home Rehabilitation Grant Program ("the Program"), for qualifying Inglewood homeowners of single-family homes. The Program allows up to \$15,000 per qualifying household for minor home rehabilitation and repairs, such as painting, roofing, plumbing, heating, electrical system repairs, accessibility related items, window repair or replacement, and health and safety modifications and upgrades. To qualify for the Program, applicants must be low-income City households with valid proof of income.

On May 10, 2022, the Mayor and Council Members approved a one-year Agreement (Agreement No. 22-190) with Habitat. The not-to-exceed compensation amount for the first year of the agreement is \$500,000. The current Agreement allows the City the option to extend the agreement with Habitat for up to three years, in one-year increments, as funding is available.

Since the launch of the Program in May of 2022, Habitat has assisted 22 households with minor and moderate home repair and rehabilitation projects. Projects included such items as exterior and interior painting, driveway and concrete repair, electrical upgrades, plumbing repair, bathroom rehabilitation for accessibility and safety, window replacements, termite fumigation and remediation, installation of ramps to accommodate wheelchair access, mold remediation, fire

DR-4

**Mayor and Council Members****FY2022-2023 Minor Home Repair Grant Program Implementation****Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity****May 9, 2023**

damage repairs, interior door replacements, roof replacements, and other improvements to make homes safer for its occupants. This report contains before and after pictures of some of the completed projects (Attachment No. 3).

**DISCUSSION:**

Each year, Habitat assists approximately 25-30 households. Amendment No. 1 extends the current Agreement with Habitat for one year, effective May 10, 2023, through May 9, 2024, and increases the Program budget by \$500,000 to continue the Program for qualified homeowners for the additional year. The amendment also allows any unexpended funds from Year 1 of the agreement to roll over for use in Year 2, and caps the maximum not-to-exceed amount at \$1,000,000 for both years. With the increase in the budget and the additional year to perform, the Program is poised to assist another 25-30 homeowners with minor home repairs and rehabilitation.

Habitat has a waiting list of 132 applicants seeking minor home repairs and rehabilitation. Habitat has assisted 22 homeowners during the term of Agreement No. 22-190, exhausting nearly eighty percent (80%) of the funding.

Each household approved to receive rehabilitation service must have a total income that does not exceed eighty percent (80%) of the area median income. HUD updates the income limits on an annual basis. The current income limits below represent the Median Family Income (MFI) for Los Angeles-Long Beach-Glendale, Metropolitan Statistical Area (MSA). The MFI for the Los Angeles-Long Beach-Glendale MSA is \$91,100, as of April 1, 2022. The income limits below are based on household size:

**FY 2022-2023****HUD Housing Income Limits/Guidelines**

U.S. Department of Housing & Urban Development (HUD) Income Limits for the Los Angeles-Long Beach-Glendale, CA. Metropolitan Statistical Area (MSA):

**Effective Date:** April 1, 2022

<b>FY 2023 Household Size</b>	<b>Low (80%) Income Limits</b>
1 Person	\$66,750
2 Person	\$76,250
3 Person	\$85,800
4 Person	\$95,300
5 Person	\$102,950
6 Person	\$110,550
7 Person	\$118,200
8 Person	\$125,800

Source: <https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

**Mayor and Council Members**  
**FY2022-2023 Minor Home Repair Grant Program Implementation**  
**Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity**  
**May 9, 2023**

These limits will be updated and distributed to Habitat once the 2023-2024 Income Limits are released by HUD. It is anticipated HUD will release the new limits by May 15, 2023.

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

There is no impact to the General Fund for the administration of the Program, or to extend the current Agreement with Habitat and to amend the annual Budget. Sufficient funds in the amount of \$500,000 are available to the City in the United States Treasury CDBG account for such Programs.

Upon adoption of the attached resolution amending the Fiscal Year 2022-2023 Budget, funds will be transferred to Account Code No. 221.031.3156.45095.00 (HUD [CDBG] Fund Housing, Section 8, & CDBG-Capital Programs-Minor Home Rehabilitation Program), as shown in Exhibit A.

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment No. 1 – Amendment No. 1 to Agreement No. 22-190

Attachment No. 2 – Budget Resolution

Attachment No. 3 – Rehabilitation Pictures

**PREPARED BY:**

Roberto Chavez, HUD Programs Manager   
Lori Jones, Sr. Programs Specialist, Housing Programs 

**COUNCIL PRESENTER:**

Roberto Chavez, HUD Programs Manager

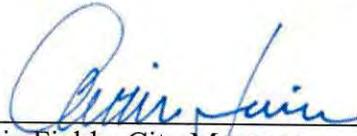
**APPROVAL VERIFICATION SHEET**

**DEPARTMENT HEAD APPROVAL/  
DEPUTY CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Harjinder Singh, Deputy City Manager

**CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Artie Fields, City Manager

# **ATTACHMENT NO. 1**

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**AMENDMENT NO 1. TO AGREEMENT NO. 22-190**

**THIS AMENDMENT NO. 1 TO AGREEMENT NO. 22-190** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the City of Inglewood, a municipal corporation and charter city (hereinafter referred to as "City" and/or "Grantee") and the Habitat for Humanity of Greater Los Angeles, a nonprofit domestic corporation (hereinafter referred to as "Subrecipient"), with a California license number of C1665677, a Contractors State License Board of B907613, a California Public Works Registration number of 1000705071, a Federal Identification Number of 330416470, a Unique Entity Identifier of Number 826543472, and a business address of 8739 Artesia Boulevard, Bellflower, California 90706. This Agreement is subject to funding availability from the Grantee and the U.S. Department of Housing and Urban Development ("HUD") under Federal Award Identification number B-19-MC-06-0520, Catalogue Federal Domestic Assistance (CFDA) number 14.218, Community Development Block Grant program for Entitlement Communities.

**WHEREAS**, on May 10, 2022, the Parties entered into Agreement No. 22-190 for Subrecipient administer the Grantee's Minor Home Rehabilitation Program; and

**WHEREAS**, the Agreement allows for extensions by mutual written consent of the Parties subject to funding from the U.S. Department of Housing and Urban Development; and

**WHEREAS**, funding is available from HUD and the Parties desire to extend the Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants contained in the Agreement, and for good and valuable consideration, the Parties mutually agree as follows:

1. **Term of Extension**  
Agreement No. 22-190 is extended for one additional year as follows:  
Year 2: May 10, 2023 to May 9, 2024.

///

1 **2. Compensation for Year 1 and Year 2**

2 The maximum compensation amount for this agreement is amended as follows:  
3 Subject to funding availability from HUD, the maximum not-to-exceed amount available  
4 for Subrecipient's use during Year 2 is Five Hundred Thousand Dollars (\$500,000,  
5 CDBG Funds) plus any unexpended/roll over funds from Year 1. The maximum not-to-  
6 exceed amount for Year 1 and Year 2 combined is **One Million Dollars (\$1,000,000).**

7 **3. No Other Changes**

8 All other terms in Agreement No. 22-190 shall remain the same.

9 **IN WITNESS THEREOF**, the Parties have executed this Agreement as of the  
10 date and year first written above.

11 **CITY OF INGLEWOOD**

**HABITAT FOR HUMANITY  
OF GREATER LOS ANGELES**

12 \_\_\_\_\_  
13 \_\_\_\_\_



14 James T. Butts, Jr., Mayor

Erin Rank, President & CEO

15  
16 **ATTEST:**

**APPROVED AS TO FORM:**

17 \_\_\_\_\_  
18 \_\_\_\_\_

\_\_\_\_\_

19 Aisha L. Thompson, City Clerk

Kenneth Campos, City Attorney

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# **ATTACHMENT NO. 2**

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
INGLEWOOD, CALIFORNIA, AMENDING THE FISCAL YEAR  
2022-2023 BUDGET TO ADD \$500,000 FOR THE MINOR HOME  
REHABILITATION GRANT PROGRAM**

**WHEREAS**, the City receives grant funds from the U.S. Department of Housing  
and Urban Development for the City’s Minor Home Rehabilitation Grant Program  
 (“Program”); and

**WHEREAS**, the City entered into Agreement No. 22-190 with Habitat for  
 Humanity of Greater Los Angeles to oversee the Program; and

**WHEREAS**, the Parties entered into Amendment No. 1 to Agreement No. 22-  
 190 to add an additional year of service for \$500,000; and

**WHEREAS**, the Fiscal Year (FY) 2022-2023 Budget needs to be amended to  
 allocate funding for the Program;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF  
INGLEWOOD DOES RESOLVE AS FOLLOWS:**

**Section 1.** The FY 2022-2023 Budget is amended as shown in Exhibit A,  
 attached hereto and incorporated herein by reference.

**Section 2.** The City Clerk shall certify to the adoption of this resolution and the  
 same shall be in full force and effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
James T. Butts, Jr., Mayor

ATTEST:

\_\_\_\_\_  
Aisha L. Thompson, City Clerk

Exhibit A

Fund: 221 HUD (CDBG) Fund  
Agency: 031 Housing, Section 8 & Community Development  
Orgn: 3156 Capital Programs

REVENUE SOURCE		FY2022-23 Budget	Amendment Request	Increase/ (Decrease)
5261	COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 1,267,192	\$ 1,767,192.00	\$ 500,000.00
<b>Total</b>		<b>\$ 1,267,192</b>	<b>\$ 1,767,192.00</b>	<b>\$ 500,000.00</b>

Fund: 221 HUD (CDBG) Fund  
Agency: 031 Housing, Section 8 & Community Development  
Orgn: 3156 Capital Programs

OBJECT CODE		FY2022-23 Budget	Amendment Request	Increase/ (Decrease)
45095	MINOR HOME REHABILITATION PROGRAM	\$ 366,856	\$ 866,855.78	\$ 500,000.00
<b>Total</b>		<b>\$ 366,856</b>	<b>\$ 866,855.78</b>	<b>\$ 500,000.00</b>

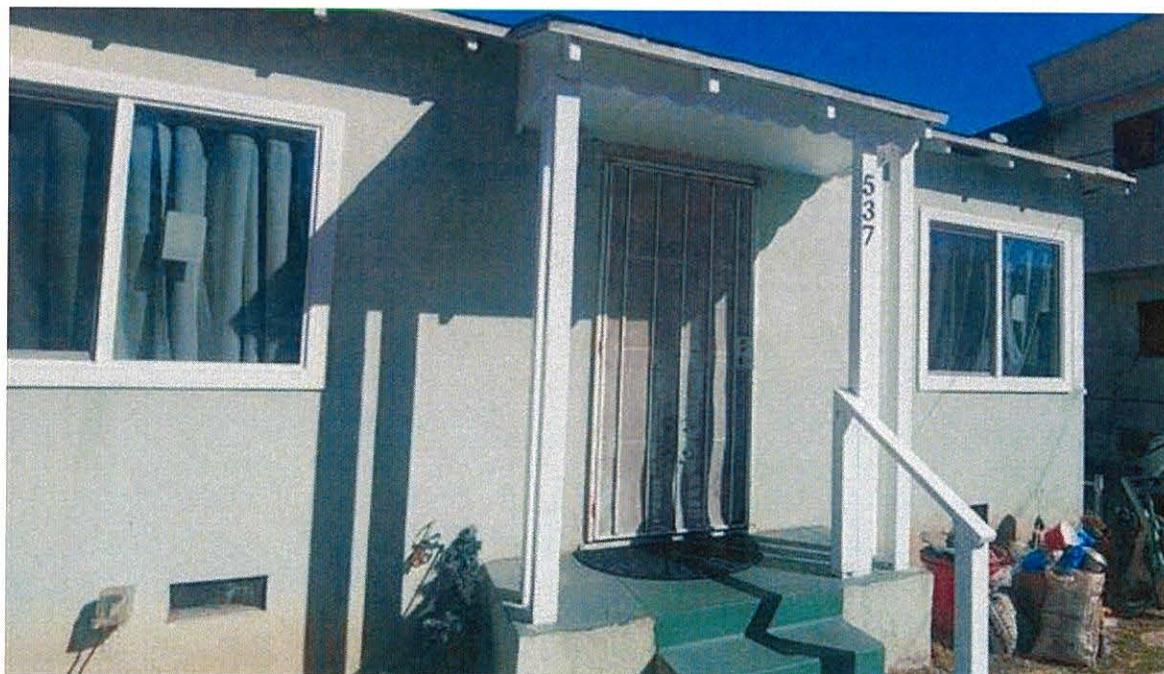
# **ATTACHMENT NO. 3**

**FY2022-2023 Minor Home Repair Grant Program Implementation  
Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity  
Attachment No. 3 - Pictures  
May 9, 2023**

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Exterior Window and Porch Repair Project (EG 1.1) - Before



Exterior Window and Porch Repair Project (EG 1.1) - After

**FY2022-2023 Minor Home Repair Grant Program Implementation  
Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity  
Attachment No. 3 - Pictures  
May 9, 2023**



Bathroom Renovation - Project (EG 1.2) - Before



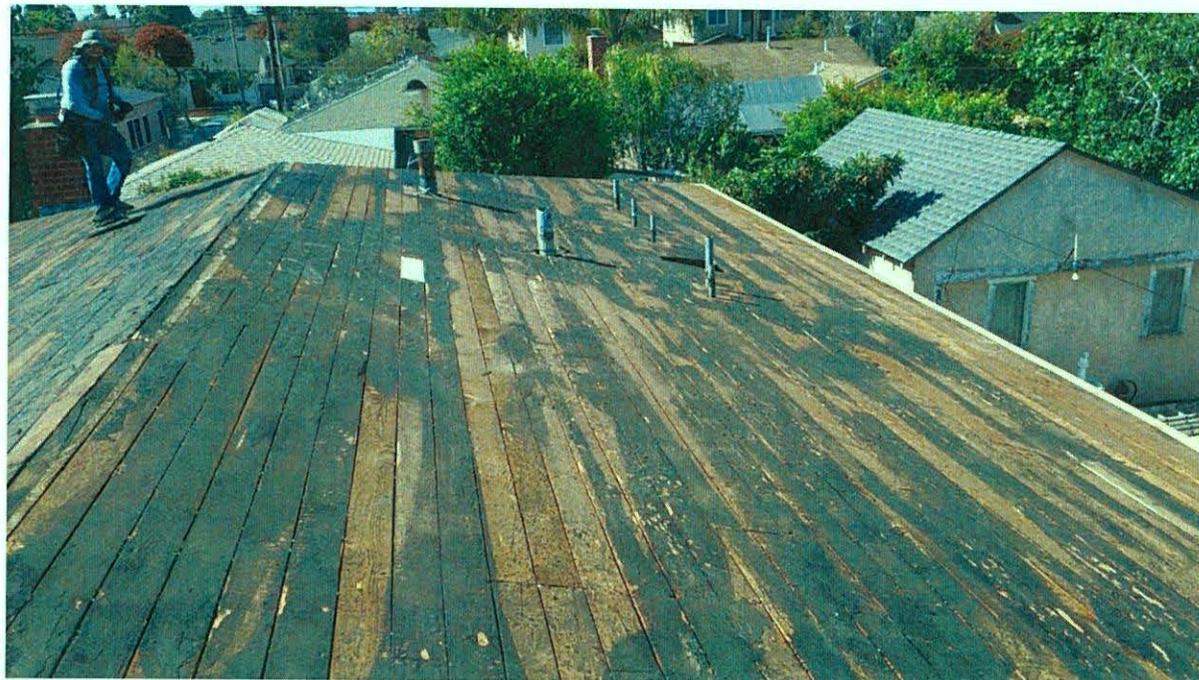
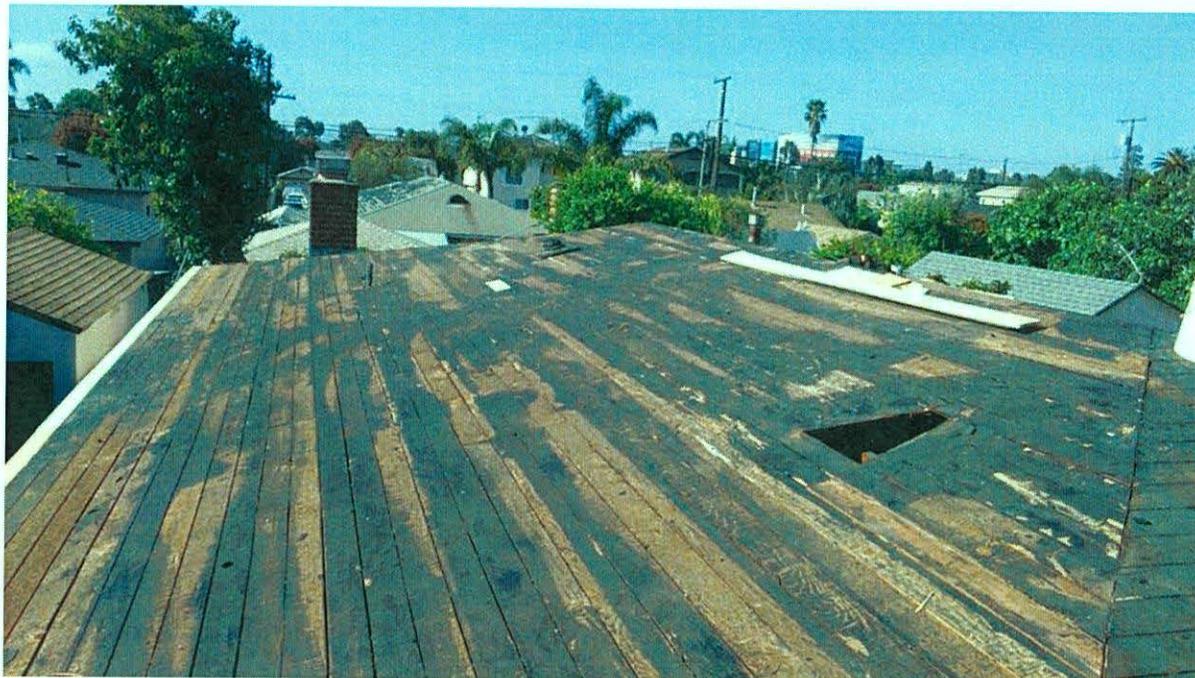
Bathroom Renovation - Project (EG 1.2) - After:



**FY2022-2023 Minor Home Repair Grant Program Implementation**  
**Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity**  
**Attachment No. 3 - Pictures**  
**May 9, 2023**

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Exterior ADA Ramp Project (EG 1.3) Before    Exterior ADA Ramp Project (EG 1.3) - After



Roof Project (EG 1.4) - Before

**FY2022-2023 Minor Home Repair Grant Program Implementation  
Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity  
Attachment No. 3 - Pictures  
May 9, 2023**

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Roof Project (EG 1.4) After

**FY2022-2023 Minor Home Repair Grant Program Implementation  
Amendment No. 1 to Agreement No. 22-190 with Habitat for Humanity  
Attachment No. 3 - Pictures  
May 9, 2023**

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Exterior Painting Project (EG 1.5) – Before



Exterior Painting Project (EG 1.5) - After



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** April 30, 2024

**TO:** Mayor and Council Members

**FROM:** Section 8, Housing, and Community Development Block Grant Department

**SUBJECT:** Amendment No. 2 to Agreement No. 22-190 with Habitat for Humanity of Greater Los Angeles for the Minor Home Repair Program

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### RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

1. Approve Amendment No. 2 to Agreement No. 22-190 with Habitat for Humanity of Greater Los Angeles, extending the term of the agreement by one (1) year and increasing the funding by \$700,000 to cover the additional year (maximum amount not to exceed \$1,700,000) for the operation of the Minor Home Repair Program (Grant Funds); and
2. Adopt a resolution amending the Fiscal Year 2023-2024 Operating Budget in the amount of \$134,000. (Grant Funds)

### BACKGROUND:

On July 27, 2022, the City Council approved the 2022-2026 Consolidated Plan ("Plan"), as required for the United States Department and Urban Development (HUD) Community Planning and Development (CPD) grantees. The Plan included the provision of a Minor Home Rehabilitation Program (Program) for eligible homeowners for each year during the five-year Plan.

On May 10, 2022, the City Council approved a one-year Agreement (Agreement No. 22-190) with Habitat for Humanity of Greater Los Angeles (Habitat) to administer the City's Program. The Agreement specified a not-to-exceed amount of \$500,000 to administer the Program for one year and included options to extend the Agreement for up to three years in one-year increments, as funding became available. These funds were to provide approximately 25-30 households with minor home improvements and rehabilitation, annually.

On May 9, 2023, the City Council approved Amendment No. 1 to Agreement No. 22-190, extending the agreement for an additional year, to May 9, 2024, and increasing the funding by \$500,000 for a total not-to-exceed amount of \$1 million.

On September 26, 2023, the City Council adopted the Fiscal Year 2023-2024 Operating Budget, which included an allocation of \$566,000 in CDBG funds for the Program to operate through May 9, 2025.

**Mayor and Council Members**  
**2024 Minor Home Rehabilitation Grant Program Amendment No. 2**  
**April 30, 2024**

**DISCUSSION:**

Due to the high number of residents requesting the Program services, the City has prepared Amendment No. 2 to Agreement No. 22-190 with Habitat extending the current Agreement for another year, effective May 10, 2024, through May 9, 2025, and increasing the Program budget to \$700,000, to continue the Program for an estimated 35-40 qualified homeowners. Furthermore, the Amendment provides that any unexpended funds from the previous years may be rolled over for use in Year 3, and caps the Program's budget to a maximum not-to-exceed amount of \$1,700,000 for all three years. Amending the Operating Budget will allow the increase in services through May 9, 2025.

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

There is no impact to the General Fund for the administration of the Program or to extend the current Agreement with Habitat. There are sufficient CDBG funds available to the City from the current year and prior year under-expended CDBG funds from the U.S. Treasury.

Upon approval of the Amended Agreement and adoption of the resolution amending the Fiscal Year 2023-2024 Operating Budget, funding for the Program (totaling \$700,000) will be available under the expenditure Account Code No. 221.031.3156.45095.00 [HUD (CDBG) Fund-Housing, Section 8 & Community Development Block Grant-Capital Programs-Minor Home Rehabilitation Program].

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment No. 1 – Amendment No. 2 to Agreement No. 22-190  
Attachment No. 2 – Resolution

**PREPARED BY:**

Roberto Chavez, HUD Programs Manager   
Lori Jones, Sr. Programs Specialist, Housing Programs 

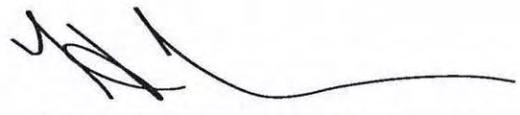
**COUNCIL PRESENTER:**

Roberto Chavez, HUD Programs Manager

Mayor and Council Members  
2024 Minor Home Rehabilitation Grant Program Amendment No. 2  
April 30, 2024

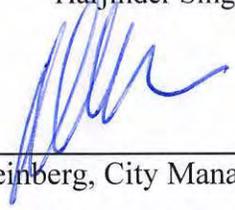
**APPROVAL VERIFICATION SHEET**

**DEPARTMENT HEAD/  
DEPUTY CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Harjinder Singh, Deputy City Manager

**CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Mark F. Weinberg, City Manager

# **ATTACHMENT NO. 1**

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**AMENDMENT NO. 2 TO AGREEMENT NO.: 22-190**

**THIS AMENDMENT NO. 2 TO AGREEMENT NO. 22-190** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Inglewood, a municipal corporation and charter city (hereinafter referred to as "City" and/or "Grantee") and the Habitat for Humanity of Greater Los Angeles, a nonprofit domestic corporation (hereinafter referred to as "Habitat" or "Subrecipient"), with a California license number of C1665677, a Contractors State License Board of B907613, a California Public Works Registration number of 1000705071, a Federal Identification Number of 330416470, a Unique Entity Identifier of Number 826543472, and a business address of 8739 Artesia Boulevard, Bellflower, California 90706. This Agreement is subject to funding availability from the Grantee and the U.S. Department of Housing and Urban Development ("HUD") under Federal Award Identification number B-19-MC-06-0520, B-21-MC-06-0520, B-22-MC-0520, Catalogue Federal Domestic Assistance (CFDA) number 14.218, Community Development Block Grant program for Entitlement Communities.

**RECITALS**

**WHEREAS**, on May 10, 2022, the City and Habitat entered into a one-year agreement with Habitat, for Habitat to administer the City's Minor Home Repair Program (Program) for a not-to-exceed amount of \$500,000 (Agreement No. 22-190); and

**WHEREAS**, Agreement No. 22-190 included options to extend the agreement for up to three years, in one-year increments, subject to funding availability from the federal government; and

**WHEREAS**, on May 9, 2023, the Parties entered into Amendment No. 1 to Agreement No. 22-190, extending the Agreement from May 10, 2023 to May 9, 2024; and

**WHEREAS**, Amendment No. 1 also increased the compensation by \$500,000, resulting in a not-to-exceed amount of \$1,000,000; and

1           **WHEREAS**, the City Council allocated \$700,000 in CDBG funds for the  
2 Program; and

3           **WHEREAS**, the Parties desire to enter into this Amendment No. 2 to Agreement  
4 No. 22-190 extending the term to May 9, 2025; and

5           **WHEREAS**, the Parties desire to increase the not-to-exceed amount of the  
6 Agreement by \$700,000 for Year 3 of the Agreement, resulting in a new total not-to-  
7 exceed amount of \$1,700,000; and

8           **WHEREAS**, the Parties desire that any unspent monies from prior program years  
9 may be used in Year 3 of this Agreement;

10           **NOW, THEREFORE**, City and Subrecipient (individually referred to as the  
11 “Party” or collectively referred to as the “Parties”) agree to amend Agreement No. 22-  
12 190 (including all prior amendments thereto) as follows:

13           **SECTION 1.**       Paragraph A. Term of Agreement of Section 2. Time of  
14 Performance is deleted in its entirety and replaced to read as follows.

15           **“A. Term of Agreement.** Subject to the suspension and termination  
16 provisions herein, the term of this Agreement is for three years commencing on May 10,  
17 2022 and expiring on May 9, 2025; provided however, that Subrecipient shall be  
18 obligated to perform such duties as would normally be extended beyond this term,  
19 including but not limited to obligations with respect to indemnification, audits,  
20 reporting, data retention/reporting, and accounting. This Agreement may be extended  
21 by mutual written consent of the Parties for one additional year, contingent upon the  
22 City receiving additional HUD funds to continue the Program.

23           Agreement No. 20-190 is from May 10, 2022 to May 9, 2023 (Year 1)

24           Amendment No. 1 extended the Agreement from May 10, 2023 to May 9, 2024  
25 (Year 2)

26           This Amendment No. 2 extends the Agreement from May 10, 2024 to May 9,  
27 2025 (Year 3)”

28       ///

1           **SECTION 2.**           Paragraph A. Amount of Grant and Disbursement of Section  
2 3. Payment is deleted in its entirety and replaced to read as follows:

3           “A.   Amount of Grant and Disbursement. Subject to funding availability from  
4 HUD, the maximum not-to-exceed amount available for Subrecipient’s use pursuant to  
5 this Agreement for shall not exceed **One Million Seven Hundred Thousand Dollars**  
6 **(\$1,700,000)**. Any unexpended funds from prior years of this Agreement may be rolled  
7 over for use in Year 3. The aforementioned maximum funding shall be use, subject to  
8 funding availability, as follows:

9           i.     City shall pay Subrecipient in the ordinary course of City’s business  
10 a not-to-exceed amount of Seventeen Thousand Two Hundred and Fifty Dollars  
11 (\$17,250) per completed project (up to \$15,000 for project cost plus up to \$2,250 for  
12 administrative costs).

13           ii.    Notwithstanding the aforementioned not-to-exceed amount of  
14 \$17,250, the City may, in its sole discretion and for critical safety repair projects only,  
15 grant a not-to-exceed amount of \$28,750 per completed project (up to \$25,000 for  
16 project costs plus up to \$3,750 for administrative costs). If a critical repair  
17 determination is made, the City shall make such determination in writing.

18           iii.   Subrecipient understands and agrees that the City:  
19           (a)    Shall pay Subrecipient in the ordinary course of City’s  
20 business; and

21           (b)    Will use its best efforts to avoid all unnecessary delays in  
22 processing Subrecipient’s invoices for completed projects.

23           iv.    Reimbursement will be based on completed projects only.”

24           **SECTION 3.** All other terms and conditions in Agreement No. 22-190 shall  
25 remain the same.

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**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the date and year first above written.

**CITY OF INGLEWOOD**

**HABITAT FOR HUMANITY  
OF GREATER LOS  
ANGELES**

\_\_\_\_\_  
James T. Butts, Jr.  
Mayor

  
\_\_\_\_\_  
Erin Rank  
President & CEO

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Aisha L. Thompson  
City Clerk

\_\_\_\_\_  
Kenneth R. Campos  
City Attorney



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
04/11/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b>  Lockton Affinity, LLC P. O. Box 873401 Kansas City, MO 64187-3401	<b>CONTACT NAME:</b> Lockton Affinity, LLC
	<b>PHONE (A/C, No, Ext):</b> 888-553-9002 <b>FAX (A/C, No):</b> 913-652-3967 <b>E-MAIL ADDRESS:</b>
<b>INSURED</b> Habitat for Humanity of Greater Los Angeles, Inc.; Partnership Housing Inc. 8739 Artesia Blvd Bellflower, CA 90706	<b>INSURER(S) AFFORDING COVERAGE</b>
	INSURER A: Ace American Insurance Company      NAIC # 22667
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:

**COVERAGES      CERTIFICATE NUMBER:      REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		G24962842 012	04/01/2024	04/01/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB OCCUR CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 City of Inglewood, its officers, officials, employees and volunteers are named as additional insured with respects to liability arising out of work or operations performed by or on behalf of Habitat Humanity GLA including materials, parts or equipment furnished in connection with such work or operations.

<b>CERTIFICATE HOLDER</b>  City of Inglewood  One West Manchester Blvd., Suite 750  Inglewood, CA 90301	1064458  <b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
---	---

**WHO IS AN INSURED, and PRIMARY, NON CONTRIBUTORY INSURANCE –  
SCHEDULED PERSON OR ORGANIZATION**

Named Insured <b>Habitat For Humanity Purchasing Group, Inc.</b>			Endorsement Number <b>177</b>
Policy Symbol	Policy Number <b>G24962842 012</b>	Policy Period <b>4/1/2024 to 4/1/2025</b>	Effective Date of Endorsement <b>04/01/2024</b>
Issued By (Name of Insurance Company) <b>ACE American Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**
- STOP GAP-EMPLOYERS LIABILITY COVERAGE FORM**

**Who Is An Insured**

**Additional Insured- Scheduled Person or Organization**

Persons or organizations shown in the schedule are "insureds" but they are "insureds" only if you are obligated pursuant to a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the person or organization is an "insured" only:

- If an then only to the extent the person or organization is described in the Schedule;
- To the extent such contract or agreement requires the person or organization to be afforded status as an "insured";
- for activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
- with respect to damages, loss, cost or expense for injury or damage to which this insurance applies

No person or organization is an "insured" under this provision:

- that is more specifically identified under any other provision of the **Who Is An Insured** section (regardless of any limitation applicable thereto).
- With respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages, loss, cost or expense for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.

---

Authorized Representative

Under Conditions, the following provision is added to the condition titled Other Insurance.

**Conditions: Other Insurance – Primary, Non Contributory Insurance – Scheduled Person or Organization**

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

**Schedule:** City of Inglewood  
One Manchester Blvd  
Inglewood, CA 90301





COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NonProfits' United Vehicle Insurance Pool**  
Automobile Liability Coverage  
**ADDITIONAL COVERED PARTY ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**The "Who is an Insured" section of your Automobile Liability Insurance is changed by adding the following:**

Who is covered includes any person or organization from whom you have leased an auto, from which you have received funding for your operations, or for who you provide services. These persons or organization are protected, if they require to be named, and you agree to name them, as an additional insured, if indicated on the attached Certificate of Coverage, but only with respect to liability arising out of the ownership, use, maintenance, loading or unloading of a covered auto.

**Cancellation:**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail 30 days written notice to the certificate holder named on the certificate, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

**Premium Payments:**

Those persons or organizations are not responsible for paying premiums for your coverage.

Insured: As shown on the Certificate of Insurance attached.

Policy Number: NPU1000-23

Effective Date: July 1, 2023 to July 1, 2024 (or otherwise indicated)

Authorized Representative:





**THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY  
WAIVER OF TRANSFER OF RIGHTS OF  
RECOVERY AGAINST OTHERS TO US**

**NonProfits' United Workers' Compensation Group  
Memorandum of Coverage: NPU-WCG 002-2024**

This endorsement modifies the coverage provided under the following:

Momorandum of Coverage: PART ONE: WORKERS' COMPENSATION

COVERAGE Paragraph H. RECOVERY FROM OTHERS is amended with respect to the following: Name and Address of Person or Organization:

<p><b>City of Inglewood</b>  <b>One West Manchester Blvd. Suite 750</b>  <b>Inglewood, CA 90301</b></p> <p><b>DESCRIPTION OF OPERATIONS/LOCATIONS ADDED BY ENDORSEMENT:</b>  <b>City of Inglewood</b></p>
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NPU-WCG waives any right of recovery it may have against the person or organization shown above because of payments made by NPU-WCG for injury or damage arising out of the Members' operations done under a contract with that person or organization shown above and included in the coverage provided by the Memorandum of Coverage. This waiver applies only to the person or organization shown on the Schedule Above.

This endorsement is part of the Memorandum of Coverage and is effective on the date shown below. All other terms and conditions remain unchanged.

<b>Effective Date</b>	January 1, 2024	<b>Expiration Date:</b>	January 1, 2025
<b>Member</b>	Habitat for Humanity of Greater Los Angeles, Inc.		
<b>Endorsement No:</b>	NPUWCG-HHGLA-27	<b>Date Issued:</b>	Apr 11, 2024

  
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 Authorized Representative for NPU-WCG

# **ATTACHMENT NO. 2**



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James T. Butts, Jr., Mayor

ATTEST:

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Aisha L. Thompson, City Clerk

Exhibit A

Fund: 221  
 Agency: 031  
 Orgn: 3156

HUD (CDBG) Fund  
 Housing, Section 8 and Community Development  
 Capital Programs

REVENUE SOURCE		FY2023-24 Budget	Amendment Request	Increase/ (Decrease)
5261.00	COMMUNITY DEVELOP BLOCK GRANT	\$ 1,316,092	\$ 1,450,092	\$ 134,000
Total		\$ 1,316,092	\$ 1,450,092	\$ 134,000

Fund: 221  
 Agency: 031  
 Orgn: 3156

HUD (CDBG) Fund  
 Housing, Section 8 and Community Development  
 Capital Programs

OBJECT CODE		FY2023-24 Budget	Amendment Request	Increase/ (Decrease)
45095.00	MINOR HOME REHABILITATION PROGRAM	\$ 566,000	\$ 700,000	\$ 134,000
Total		\$ 566,000	\$ 700,000	\$ 134,000