



LASSEN COUNTY

Health and Social Services Department

- ☒ **HSS Administration**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8128
- ☐ **Grant and Loans Division**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-2683
- ☐ **Behavioral Health**
555 Hospital Lane
Susanville, CA 96130
(530) 251-8108/8112

Chestnut Annex
1400-A & B Chestnut Street
Susanville, CA 96130
(530) 251-8112
- ☐ **Patients' Rights Advocate**
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8322
- ☐ **Public Health**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8183
- ☐ **Environmental Health**
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8183
- ☐ **Community Social Services**
PO Box 1359
Susanville, CA 96130

**LassenWORKS
Business & Career Network**
1616 Chestnut Street
Susanville, CA 96130
(530) 251-8152

Child & Family Services
1445 Paul Bunyan Road
Susanville, CA 96130
(530) 251-8277

**Adult Services
Public Guardian**
1600 Chestnut Street
Susanville, CA 96130
(530) 251-8158
- ☐ **HSS Fiscal**
PO Box 1180
Susanville, CA 96130
(530) 251-2614

Date: November 3, 2017

To: Aaron Albaugh, Chairman
Lassen County Board of Supervisors

From: Barbara Longo, Director
Health & Social Services

Subject: Resolution authorizing the adoption of the Community
Development Block Grant (CDBG) Housing Rehabilitation
Program Guidelines

Background:

The proposed revised Housing Rehabilitation Program guidelines replace the 2011 adopted guidelines. The proposed guidelines more clearly conform to state and federal rules as set forth by the U.S. Department of Housing and Urban Development regulations.

The Housing Rehabilitation Program provides assistance for the cost of necessary repairs that provides homeowners with a healthy, safe, sanitary, and code compliant property.

Several financing packages will be available to the homeowners including low-interest loans up to \$50,000 and grants (each category has its own maximum grant amount) for the following activities: sewer/water system repair, accessibility, environmental hazard mitigation, property clean-up, and house painting.

Fiscal Impact:

There is no impact to County General Fund.

Action Requested:

Conduct a public hearing and adopt the Resolution.

COUNTY OF LASSEN



OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM (CDBG)

PROGRAM GUIDELINES
Adopted{DATE}

APPROVED AS TO FORM

OCT 22 2017

Lassen County Counsel



**EQUAL HOUSING
OPPORTUNITY**



**COUNTY OF LASSEN
OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM GUIDELINES**

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**COUNTY OF LASSEN
OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM GUIDELINES**

Adopted {DATE}

1.0. INTRODUCTION

1.1. Overview

The County of Lassen hereinafter referred to as the "Grantee" has established an Owner-Occupied Housing Rehabilitation Program, hereinafter referred to as the "Program". The Program is designed to provide assistance to eligible owners for the correction of health and safety items, as well as code violations, located within the Program's eligible area, as described in **Section 1.3**. The Program provides assistance for the cost of necessary repairs that provides the owner with a healthy, safe, sanitary and code compliant property, referred to herein as "housing unit".

The Program's guidelines have been formally adopted by the Grantee. See **Attachment A** for copy of the adopting resolution.

1.2. Program Administration

The Grantee is responsible in assuring the Program is implemented in compliance with federal, state and local regulations. This includes clearing special conditions, preparing funds requests, monitoring expenditures, generating fiscal and performance reports, and developing accurate and professional files and contract documents.

1.3. Program Service Area

The Program is available to all eligible housing units within the legal Grantee's jurisdictional boundaries.

1.4. Program Outreach and Marketing

All outreach efforts are done in accordance with State and Federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability, marital or familial status, medical condition, national origin, race, religion or religious affiliation, gender or sexual orientation, or other arbitrary cause be excluded, denied benefits or subjected to discrimination under the Program. The Grantee ensures that all persons, including those qualified individuals with disabilities have access to the Program.

- A. The Fair Housing Lender and Accessibility logos are placed on all outreach materials. Fair housing marketing actions are based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the

area residents, are widely distributed in the Program-eligible area and are provided to any local social service agencies.

- B. 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 Grantee takes appropriate steps to ensure effective communication with disabled owners, residents, and members of the public.

1.5. Conflict of Interest

In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision making responsibilities in connection with the planning and implementation of the CDBG program shall directly or indirectly be eligible for this Program. Exceptions to this policy can be made only after public disclosure, formal approval by the governing body, and authorized in writing by Grantee's legal counsel.

A contractor with a vested interest in the housing unit cannot bid on a rehabilitation project.

A Loan Committee member must not participate in any committee discussion or action with respect to any financing request in which the member has been directly involved or for which the member has direct responsibility. Members must excuse themselves from consideration of any financing request in which the member has a personal relationship (i.e. apart from business relationships formed in the conduct of business) with any party to the financing request.

1.6. Confidentiality

All personal financial information shall be kept confidential. Owner's files with confidential personal information are kept in locked secured storage units. All confidential information of owners is only disclosed to persons required to view the information. If the Grantee receives a request for public records related to an owner, only non-confidential information, as verified by legal counsel, is to be released.

2.0. APPLICANT QUALIFICATIONS

2.1. Income Limits

All owners must certify that they meet the household income eligibility requirements and have their household income documented. The income limits in place at the time of the financing request approval applies when determining owner income eligibility. The entire household must have combined annual gross income at or below 80% of the County's area median income (AMI), adjusted for household size, as published by the California Housing and Community Development Department (HCD) each year (**Attachment D**).

- A. Household Definition: All persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

- B. Annual Income Definition: The combined gross amount of income of all adult (18 or older) family members that is anticipated to be received during the coming 12-month period

The link to the official HCD-maintained income limits for CDBG-funded Programs:

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

2.2. Income Qualification Criteria

Projected annual gross income of the household is used to determine whether they are above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance is followed to independently determine and certify the household's annual gross income. Income is verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third party verification of employment forms sent to employers. All documentation is dated within six months prior to the financing request closing, kept in the owner's file, and held in strict confidence.

- A. Household Income Definition:

Household income is the annual gross income of all adult household members that is projected to be received during the coming 12-month period, and is used to determine Program eligibility. Refer to Income Inclusions and Exclusions (**Attachment B**) for further guidance to the types of incomes included or excluded in calculating gross annual income. For income counted, gross amounts (before any deductions are taken) are used; the types of income not considered are the income of minors or live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected income must be used, rather than past earnings, in calculating income.

The link to Annual Income Inclusions and Exclusions:

<http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>

- B. Assets Definition:

There is no asset limitation for participation in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition. An asset is a cash or non-cash item that can be converted to cash. The value of necessary items such as furniture and automobiles are not included. *(Note: it is the income earned – e.g. interest on a saving's account – not the asset value, which is counted in annual income.)*

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 and costs for selling real property. The cash value (rather than the market value) of an item is counted as an asset. **Attachment C: Part 5 Annual Income Net Family Asset Inclusions and Exclusions**

The Link to Asset Inclusions and Exclusions is:

<http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>

2.3. Life Estate

Owners meeting all other eligibility criteria who hold a Life Estate and reside on the housing unit are eligible to apply for assistance. Income eligibility is determined by the income of the occupant/holder of the Life Estate. The holder of the Estate is required to sign all financing documents.

2.4. Living Trust

Owners meeting all other eligibility criteria and who reside on a housing unit with a title held by a living trust are eligible to apply for assistance. Income eligibility is determined by the income of the occupant. Financing terms are based on the continued occupancy of the specific occupant in the residence.

The financing terms provide that a loan is due and payable upon the sale or transfer of the housing unit and upon termination of the Living Trust. The Grantee regularly monitors such residency to verify the status of the occupant.

2.5. Homeowner Eligibility and Residency Requirements

The Program allows for owner-occupied housing units to participate. The owner must be the occupant of the housing unit to be rehabilitated. To verify occupancy, the owner must submit a copy of a recent utility bill and certify, in writing, the housing unit is their primary residence and is not being offered for sale (**Attachment I**).

A. Owner- Occupied

1. Continued residency is monitored annually for the term of the lien. Occupancy is verified in accordance with the Loan Monitoring Procedures outlined in **Section 8.4**.
2. In the event that an owner sells, transfers title, or discontinues residences in the rehabilitated housing unit for any reason, the loan becomes due and payable, unless the following conditions are met:

The owner who received the loan, dies and the heir to the housing unit meets income requirements and intends to occupy the home as his/her principal residence. Upon approval of the Grantee, the heir may be permitted to assume the loan at the rate and terms the heir qualifies for under current participation guidelines. If the heir does not meet applicable eligibility requirements, the loan is due and payable.

3. If an owner converts the housing unit to any commercial or non-commercial residential use, the loan is due and payable.
4. If an owner converts the housing unit to a rental unit, the loan is due and payable unless the Grantee has an Owner-Investor Housing Rehabilitation Program and Guidelines in place that specifically allows for such conversions.

3.0. HOUSING UNIT ELIGIBILITY

3.1. Conditions

- A. No housing unit is eligible if a household's income exceeds the prescribed income limits listed in **Attachment C**.
- B. Housing units are to be located within the unincorporated areas of the Grantee's jurisdiction unless the Grantee has a letter from the City of Susanville's Authorized Representative indicating they have no objections to the Grantee both funding a project within the City's jurisdictional boundaries and the Grantee receiving the future proceeds.
- C. The housing unit must contain a legal residential structure intended for continued residential occupancy.
- D. All repair work meets Local Building Code standards. At a minimum, health and safety hazards are to be eliminated.

3.2. Mobile Homes

Only \$100,000 of the Grantee's total annual rehabilitation assistance portfolio is used for mobile homes or manufactured homes not on a permanent foundation. The \$100,000 is determined on a first-come, first-served basis.

3.3. Anti-Displacement Policy and Relocation Assistance

Owner-occupants are not eligible for temporary relocation benefits unless health and safety threats are determined to exist by the Grantee. In cases where relocation is determined necessary by the Grantee, assistance may be provided for actual costs incurred from the owner's loan proceeds or as a grant (see **Section 6.6** for allowable grants).

3.4. Notification and Disclosures

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

The Lead Hazard Information Pamphlet published by the EPA/HUD/Consumer Product Safety Commission is given to all owners regardless of the cost of rehabilitation or paint test findings. If lead-based paint is found through testing or if presumed, a Notice of Lead Hazard Evaluation or Presumption is supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report is also provided (**Attachment H-1**).

3.5. National Environmental Policy Act (NEPA)

NEPA regulations require an Environmental Review Record (ERR) is submitted for each housing unit funded with CDBG monies prior to award or approval of funds. The Grantee is required to complete the proper NEPA review along with any state review under California's Environmental Quality Act (CEQA) review. The ERR level of review is based on the type of project proposed and all aggregated activities to be undertaken.

The environmental review identifies and addresses the physical, social, and economic impacts of the entire proposed activity. The environmental review process considers the ultimate effect of a proposed project, including the potential effects of both the CDBG and related project activities.

Owners are informed of any additional time required for processing due to the NEPA review. No costs are charged to the owner for this process. Once an application is submitted, no activities are done on the project until completion of the ERR as this would be a choice limiting action under NEPA regulations.

4.0. APPLICATION PROCESS AND SELECTION

4.1. Waiting List

The Grantee utilizes a waiting list. In response to an owner's request, they are placed on the waiting list once the waiting list worksheet is received by the Grantee. Owners are offered the opportunity to qualify for assistance by waiting list priority (a first-come, first served basis).

The Grantee contacts owners by mail and/or by telephone to notify them of funding availability. The owner has thirty (30) days to complete and return the application and supporting documentation. Should an owner fail to respond to the initial contact for assistance or to provide any of the required documentation within the thirty (30) day period, the owner's name is removed from the waiting list. If the owner desires assistance at a later time, they are placed on the waiting list at that time.

4.2. Application/Interview

An application packet is provided to the owner for completion and submission to the Grantee, along with supporting documentation. Applications are deemed complete if all requested information is provided. Incomplete applications are returned to the owner with a letter detailing the additional information needed. Completed applications are date stamped on the day of receipt by the Grantee.

An interview is then scheduled with the owner regarding participation in the Program. At the briefing the Program is fully explained and application forms and documents are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage. Title report and appraisals are also obtained.

If the Grantee encounters material discrepancies and/or misrepresentations, and/or there are income, asset, household composition, or other important questions that cannot be resolved, the Grantee reserves the right to deny assistance to the household. In this case, the owner may re-apply after six months have elapsed from the time of written assistance denial.

4.3. Selection

Owners selected for participation in the Program are those determined eligible upon completion of processes described in **Sections 4.1. and 4.2.**, above.

4.4. Initial Inspection/Work Write-Up/Estimate

Prospective units are inspected by the Grantee or a certified housing inspector to determine eligibility and acceptability of properties for participation in the Program.

If the housing unit is a pre-1978 unit, the initial inspection includes paint testing by a certified Lead-Based Paint (LBP) inspector/assessor or presumption of LBP. Code deficiencies are corrected and if presumption is used or lead hazards are found they are properly treated according to HUD regulations (**Sections 9.1.F.**) and cleared by a certified LBP inspector/assessor.

Measurements and observations are noted about the housing unit, including special conditions with potential cost consequences (dilapidated outbuildings, absence of curb and gutter when required by code, etc.). As needed, a floor plan and site plan is drawn for the housing unit, including all appurtenances.

Findings are noted on an inspection form, and later used by the Grantee to prepare the work write-up. Estimated costs are determined by the Grantee or a certified housing inspector who has years of experience in the building industry, and in reviewing contractor bids and verifying cost with materials suppliers. The owner reviews the completed work write-up and cost estimate, and the approved write-up is incorporated into bid documents.

4.5. Bid Solicitation

A bid walk-through date and time are scheduled. The owner may choose to solicit their own bids or request that the Grantee solicit bids on their behalf. Grantee is to keep a list of eligible contractors. Lassen County contractors are encouraged to request placement on the list through an on-going outreach effort provided by the Grantee. Initiations to bid are mailed to all eligible contractors on file in an effort to obtain three reasonable bids. Bid results are provided to participating contractors.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Grantee. Bids should be within 10 percent of the Grantee's cost estimate; otherwise, the Grantee provides an explanation for the file for any bid selected exceeding 10 percent of the estimate. The owner is encouraged to accept the lowest reasonable bid.

Contractors are to be licensed and bonded by the State of California Contractors Licensing Board. Contractors are also required to provide Grantee with evidence of Workers' Compensation Insurance and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000 per occurrence.

The Grantee determines eligibility of the contractor by contacting the State Contractors License Board and checking the Federal List of Debarred Contractors. The contractor is also required to provide a self-certification stating they are not on the Federal debarred list. Once determined eligible, the contractor is then notified of provisional award of bid (pending financing approval). Notices of non-award are mailed to participating contractors, if requested.

4.6. Financing Request/Process/Approval

A report and financing request is prepared on behalf of the owner by the Grantee. The request

includes the cost of construction, a contingency fund, and other project costs listed in **Section 9.2**. A Loan Committee meeting is scheduled to consider/review the financing request. The Loan Committee may approve assistance with financing exceeding 100 percent of the after-rehabilitation value as needed in cases where no other financial resources are available to cover the cost of the improvements and where clear and convincing documentation exists justifying why the exception is needed.

In order to obtain financing, owners must meet all housing unit and eligibility guidelines in effect at the time the application is considered. All owners are provided written notification of approval or denial. Any reason for denial is provided to the owner in writing with an explanation of ineligibility. Once approved, financing documents are executed and the project is funded.

4.7. Pre-Construction Conference

A pre-construction conference is scheduled with the owner, contractor, and Grantee. The Grantee reviews the Construction Contract, including the work write-up, start date, pay schedule, and date of completion, with the owner and contractor. The construction contract and Notice to Proceed are executed by the owner and contractor. Construction may not begin until the Notice to Proceed is executed and issued.

4.8. Start-Up/Field Inspections

The Grantee monitors construction progress and performs field inspections on a regular basis in order to check the scope of work, inspect materials, and to confirm the job is on schedule and within budget. The Grantee cooperates with the Grantee's Building Department to ensure the work meets building codes, while not exceeding funding limits.

The Grantee reviews the work status with the owner and contractor in order to remedy any developing problems quickly and to ensure all parties are satisfied with the construction process. At the completion of each phase, the Grantee inspects the work and the owner authorizes contractor payments.

The Grantee refers back to original plans and specifications and verifies the work was completed as contracted.

4.9. Change Orders

Written change orders are required when the owner or contractor requests any changes in the write-up, such as eliminating an item completely, eliminating one item and substituting another, or adding items. The change order must be signed by the contractor and owner, and submitted to the Grantee for verification that it is necessary and reasonable. The change order states the change and dollar value for the change. If the change order exceeds the approved financing, the owner is asked to provide additional funds or a request for additional funds is presented to the Loan Committee for approval. The contractor may not complete the change order without the Grantee's written acknowledgement.

4.10. Progress Payments

Ninety percent (90%) of the contract amount is distributed to the contractor in the form of

progress payments during construction. The final ten percent (10%) of the contract amount is set aside as a retention payment. The contractor requests a progress payment from the owner and notifies the Grantee that they have done so. Upon favorable inspection by the owner, Grantee, and local building department (when required), the payment authorization is signed by the owner and submitted for payment.

4.11. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Grantee inspects the work item by item with the owner and contractor. The local building department performs the final inspection. Any corrections or deficiencies are noted and corrected by the contractor. Upon favorable final inspections, a Notice of Completion is prepared, signed by the owner, and recorded. The final ten percent (10%) retention payment is released 30 days after the recording of the Notice of Completion.

5.0. LOAN COMMITTEE

The purpose of a Loan Committee approval structure is to align the financing request review processes with management of credit risks, and to ensure the integrity and stability of the Grantee's Loan Portfolio. Credit risk management, as implemented through a Loan Committee approval process, provides a method to ensure oversight of the Grantee's Loan Portfolio commitment and credit authority, and consistency in underwriting.

5.1. Membership

The Grantee's Health and Social Services Director (Director) determines the Loan Committee's membership and terms; which consists of three primary members and two standing alternates. The Loan Committee membership should consist of individuals having technical experience and knowledge related to business, finance or housing construction, such as loan officers, real estate agents/broker, business owner or manager, housing authority representatives, Certified Public Accountant, licensed contractor, finance professional, or other individual who has experience and knowledge with business, finance or housing construction.

Three members/alternates must participate in a meeting to constitute a quorum. In the event the Loan Committee does not have a quorum, the meeting will be rescheduled. In the absence of a primary member, any alternate may fill the vacancy.

5.2. Operation

The Director or his or her designee (Designee) shall call for a Loan Committee meeting when necessary to conduct the business of the committee to review and decide on any financing request. A quorum of the Loan Committee members shall be present at the meeting in person or by conference call in order to conduct its business. Less than a quorum of Loan Committee members at any time during the course of the meeting shall cause the Loan Committee to recess or adjourn.

The Loan Committee's primary members (or alternates) shall review each "financing request" presented to them. The Director or Designee shall present a financing request to the Loan Committee. Any member of the Loan Committee may make a motion to approve, conditionally approve, tabled (take no action until additional information is submitted) or deny the financing

request. A second to the motion is required to vote. A motion not receiving a second is a failed motion. Any financing request not receiving a motion shall be considered as the same as a denied vote of the Loan Committee.

- **Approval:** A majority vote in the affirmative to approve a financing request is required to approve a financing request.
- **Conditional Approval:** A majority vote in the affirmative is required to approve a motion to approve a financing request with conditions offered by the maker of the motion. The maker of the motion must specify as part of the conditional approval if the financing request shall be agenized for approval at a future Loan Committee meeting or if the request is approved pending the applicant satisfying certain specified conditions upon the review and approval by the Director that the conditions have been met.
- **Tabled.** For example, an incomplete financing request may be tabled or denied. A tabled loan request would be for the purpose of obtaining additional information from the applicant or to allow staff to prepare and present information to the Loan Committee.
- **Denial:** A majority vote in the affirmative to deny a financing request or a less than majority vote in the affirmative to approve a financing request is a denial. A financing request not receiving a motion shall also be a denial.

The Director or Designee shall be responsible for preparing the Loan Committee's agenda, calling for a meeting, distributes the request and related materials to its members and applicant; and shall keep minutes and maintains a record of the Loan Committee's deliberations and decisions.

5.3. Submission to Loan Committee

The Director has the authority to reject financing requests prior to any Loan Committee review.

Financing requests are reviewed prior to the Final Approving Authority as set forth in **Section 5.4**. Financing amendments do not need to be reviewed by the Loan Committee unless there is a material change to the terms of the financing (e.g. an increase in the amount of greater than 5 percent) or unless the change requires a modification of any conditions of the Loan Committee's approval. In such cases, the Grantee submits a brief description of the change and any relevant supporting analysis.

All Loan Committee submissions are prepared by Grantee staff in form and substance consistent with the standard Loan Committee Approval Memorandum. Additional exhibits or files are not submitted unless required in order to detail an unusual circumstance or unless requested by Loan Committee voting members who may request specific additional information or reports (e.g. third-party reports, financial or credit information, or other relevant analysis).

Loan Committee presentations address the following:

- Overview of the project;
- Owner's financial condition and borrowing history;

- Recommended terms and conditions of the financing request;
- Market conditions, operating expenses, and the basis on which the financial assumptions appear to be acceptable;
- Discussion of any variance in the underwriting process;
- Description of and the rationale for any exceptions to the Program's guidelines; and,
- Primary transaction risks, why the risks appear to be acceptable and the steps taken to mitigate such risks.

5.4. Final Approving Authority

A. Financing Requests \$1 to \$25,000

1. Following a Loan Committee's recommended approval or conditional approval of a financing request, the approved financial request is submitted to the Grantee's Health and Social Service's Director within five (5) business days of the meeting.
2. The Director, within fifteen (15) business days after receiving the decision shall:
 - a. Ratify the Loan Committee's approval; or,
 - b. Denies the request; or,
 - c. Call a meeting of the Loan Committee to review the financial request.
3. The decision of the Director is the final approval prior to issuance of the Commitment Acceptance or Denial Letter.

B. Financing Requests \$25,001 to \$50,000

1. Following a Loan Committee's recommended approval or conditional approval to finance is submitted to the Grantee's County Administrative Officer (CAO) within five (5) business days of the meeting.
2. The CAO, within fifteen (15) business days after receiving the decision:
 - a. Ratify the Loan Committee's approval; or,
 - b. Denies the request; or,
 - c. Sends the request back to the Director to call a meeting of the Loan Committee to review the financial request.
3. The decision of the CAO is the final approval prior to issuance of the Commitment Acceptance or Denial Letter.

C. Financing Requests \$50,001 and Above

1. The Loan Committee's recommended approval or conditional approval to finance is

submitted to the Grantee's Board of Supervisors within twenty (20) business days of the meeting.

2. On the scheduled Board Meeting, the Board of Supervisors votes to:
 - a. Ratify the Loan Committee's approval; or,
 - b. Denies the request; or,
 - c. Sends the request back to the Director to call a meeting of the Loan Committee to review the financial request.
3. The decision of the Board is the final approval prior to issuance of the Commitment Acceptance or Denial Letter.

6.0. FINANCING CONDITIONS AND TERMS

In order to obtain financing the owners must meet all housing unit and eligibility guidelines required by the Program that are in effect at the time of the financing request's approval.

6.1. Maximum Amount of Program Assistance

An eligible owner may qualify for the full cost of rehabilitation work needed to comply with State and local codes and ordinances. The maximum loan amount is \$50,000 per housing unit.

The Loan Committee may approve assistance that exceeds this amount on a case-by-case basis. In all cases, the maximum assistance for rehabilitation is \$100,000.

6.2. General Lending Criteria and Procedures

General underwriting is used to evaluate the owners for financial assistance which include:

- A. The ability and willingness of an owner to repay a loan, as well as all existing liabilities, as evidenced by income, credit history, necessary monthly expenses, and stability of income sources.
- B. The economic feasibility of rehabilitation; such that, a reasonable expenditure of funds enables the correction of all health and/or safety related items and an adequate amount of collateral is provided for the loan.

6.3. Affordability Parameters

Total indebtedness on the housing unit's title is to not exceed 100 percent of the after-rehabilitation value as determined by an appraisal. The Loan Committee may approve assistance exceeding 100 percent after-rehabilitation value as needed on a case-by-case basis. The after-rehabilitation value is determined prior to making a commitment of funds using the method outlined in **Section 6.4.**

6.4. Appraisal

A. Rehabilitation Projects

The after-rehabilitation value for rehabilitation projects is determined by a licensed appraiser. The appraiser determines the value of the unit with the rehabilitation building plans and specifications. The cost of the appraisal is assumed by the Grantee. The purpose of the appraisal is to determine that the after-rehabilitation value limit of the housing unit does not exceed the permitted amount and that the combined loans do not exceed the maximum combined loan-to-value limit as described in **Section 6.3**.

6.5. Rates and Terms

A. Amortized Loans

Amortized loans bear a simple interest rate of three percent (3%), evidenced by a promissory note, and secured by a 1st deed of trust. The term of all amortized loans is for 15 years, but can be extended to 30 years if a longer period is deemed necessary to protect the integrity of the loan. There is no prepayment penalty. If a 1st deed of trust is not available, the Loan Committee may accept a lessor deed of trust.

B. Deferred-Payment Loans

All owners with incomes at or below 60 percent (60%) of the area median income (AMI) for Lassen County are eligible for zero percent (0%) interest Deferred Payment Loans (DPL), evidenced by a promissory note and secured by a deed of trust.

If it is determined by the Grantee that repayment of a loan at the maturity date causes hardship to the owner, the Grantee may opt for the following (subject to Loan Committee approval):

1. Amend the note and deed of trust to defer repayment of the amount due at maturity, which is the balance of the original principal plus the accrued interest, for up to an additional 30 years at zero percent (0%) interest. This may be offered one time; or,
2. Convert the debt at loan maturity, which is the balance of the original principal plus any accrued interest, to an amortized loan, repayable in 15 years at zero percent (0%) interest.

6.6. Grants

- A. Sewer/Water System Repair Grants: May be available for the repair and installation of individual onsite wastewater treatment systems (i.e. septic systems), public sanitary sewer connection, or water systems (e.g. pump, well, water treatment) when an existing system has failed or may fail. The maximum grant amount is \$15,000 per household.
- B. Accessibility Grants: To senior citizens over 62 years old and/or disabled persons for accessibility improvements. The necessity for such improvements is required to be supported by appropriate written notification from a physician, referring social service

agency, or a similar outside authority familiar with the living situation. Receipt of Social Security Disability Insurance or Supplemental Security Income may also be used as verification of disability. The maximum grant amount is \$15,000 per household.

- C. Environmental Hazard Mitigation Grants: May be available for any activities necessary for the removal of environmental hazards. These hazards may include but are not limited to lead-based paint mitigation/abatement, asbestos, mold, and chemical contamination. Maximum grant amount for this activity is determined on an individual needs basis.
- D. Property Clean-Up Grants: May be available for assistance with yard clean-up and other property clean-up, relating to the Health and Safety Code 17920.3 (j). The maximum grant amount is \$2,000 per household.
- E. House Painting Grants: May be available for assistance with exterior painting of housing units where paint surfaces are worn or deteriorated, relating to Health and Safety Code 17920.3 (g)(3). The maximum grant amount is \$2,000 per household.
- F. Relocation Assistance Grants: May be available for relocation assistance if health and safety threats are determined to exist by the Grantee. See Relocation Assistance Plan, **Attachment E**. The maximum grant amount is \$3,000 per household.

6.7. Agreements

A. Loan Agreement

An owner participating in the Program and qualifies for a loan is required to sign a loan agreement, which is kept on file.

B. Maintenance Agreement

An owner participating in the Program and qualifies for a loan is required to sign a maintenance agreement and maintain the housing unit at post rehabilitation conditions, excluding normal wear and tear, for the life of the loan. This agreement is recorded and kept on file.

C. Terms

Failure to comply with the above terms, conditions, and agreements will result in the loan and becoming due and payable and if necessary foreclosure proceedings will be instituted. See Foreclosure Plan, **Attachment G**.

6.8. Loan Security

- A. Loan security for all housing units is secured by the housing unit and improvements, including a Deed of Trust, Promissory Note and Loan Agreement in favor of the Grantee.
- B. The Grantee does not subordinate a lien. An Acceleration Due on Sale clause is added to all promissory notes requiring the loan to be paid in full in the event of a sale or refinance.

6.9. Insurance**A. Fire Insurance**

The owner is required to maintain fire insurance on the housing unit for the duration of the lien and in an amount adequate to cover all encumbrances on the title. The insurer must identify the Grantee as loss payee for the amount of the Program lien. Proof of insurance with the Grantee listed as loss payee is provided to the Grantee.

In the event the owner fails to make the fire insurance premium payments in a timely fashion, the Grantee may make such payments for a period not to exceed 60 days. The Grantee may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the Grantee make any payments, it may, in its sole discretion, add such payments to the principal amount that the owner is obligated to repay the Grantee. The premium may be paid for no more than one year.

B. Flood Insurance

When a housing unit is located in a 100-year flood zone, the owner is required to maintain flood insurance on the housing unit for the duration of the lien and in an amount adequate to cover all encumbrances on the title. The insurer must identify the Grantee as loss payee for the amount of the Program lien. Proof of insurance with the Grantee listed as loss payee is provided to the Grantee.

In the event the owner fails to make the flood insurance premium payments in a timely fashion, the Grantee may make such payments for a period not to exceed 60 days. The Grantee may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the Grantee make any payments, it may add such payments to the principal amount that the owner is obligated to repay the Grantee. The premium may be paid for no more than one year.

6.10. Property Taxes

Current property taxes are required for the duration of the lien. In the event the owner fails to make property tax payments, the Grantee, may make such payments plus any penalties. Should the Grantee make any payments, it may add such payments and penalties to the principal amount that the owner is obligated to repay the Grantee.

7.0. RESIDENCY REQUIREMENTS**7.1. Owner-Occupied**

- A. Continued residency is monitored in the month of January, of each year, by the Grantee, for the term of the loan. Occupancy is verified by the submission of the following:
 - 1. Proof of occupancy in the form of a copy of a current utility bill; and
 - 2. Statement of unit's continued use, as the primary residence (**Attachment I**).

- B. In the event the owner sells, transfers title, or discontinues residence in the rehabilitated housing unit for any reason, the loan is due and payable, unless the following conditions are met:
- Upon death of the owner, an heir who resides in the rehabilitated housing unit and is income eligible may be permitted, upon approval of the Grantee, to assume the loan, at the rate and terms the heir qualifies for under the current Program guidelines.
 - Upon death of the owner, an heir who does not reside in the rehabilitated housing unit and/or is not income eligible may not be permitted to assume the loan, the balance of the loan is due and payable.
- C. If the owner converts the housing unit to a rental unit, the loan is due and payable.
- D. If the owner converts the housing unit to any commercial or non-residential use, the loan is due and payable.

8.0. LOAN SERVICING AND MAINTENANCE

8.1. Payments

For amortized loans, owners are required to make monthly payments as specified in the promissory note. For DPLs owners may begin making voluntary payments at any time.

8.2. Receiving Loan Repayments

- A. Program loan payments are made to:

For In-Office Payments:

700 Brashear Street
Susanville, CA 96130

Office Hours:
Monday to Friday
8:30 am - 12:30 pm and
2:00 pm - 4:30 pm

For Mailing Payments:

Lassen County
Health & Social Services
Attn: Grants & Loans
PO Box 1180
Susanville, CA 96130

For Online Payments:

www.officialpayments.com

- B. The Grantee is the receiver of loan payments and maintains a financial record-keeping system to record payments and file statements on payment status. Payments are deposited and accounted for in the Grantee's appropriate account. The Grantee accepts loan payments from owners prepaying deferred loans, from owners making payments in full upon sale or transfer of the housing unit, and from owners making regular payments on an amortized loan. All loan payments are payable to the Grantee. The Grantee may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

8.3. Loan Servicing Policies and Procedures

See **Attachment F** for the Grantee's Loan Servicing Policies and Procedures. While the attached policy outlines a system that can accommodate a crisis that restricts an owner's repayment ability, it should in no way be misunderstood. Program loans are to be repaid and the Grantee is willing to pursue all legal means necessary to ensure the repayment of a delinquent loan.

8.4. Monitoring Procedures

Owners are required to submit to the Grantee in the month of January, of each year, for the term of the loan agreement, the following items:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use, as the primary residence (**Attachment I**);
- Verification property taxes are current; and
- Verification of current required insurance policies.

8.5. Default and Foreclosure

If an owner defaults on a loan and foreclosure procedures are instituted, the process is carried out according to the Grantee's Foreclosure Policy (**Attachment G**).

8.6. Subordinations

The Grantee will not approve a request to subordinate a Program lien.

9.0. CONSTRUCTION**9.1. Standards**

- A. All rehabilitation is required to meet Local Building Code standards. At a minimum, health and safety hazards are to be eliminated. The Grantee may also require the elimination of code deficiencies.
- B. Contracting Process
 - 1. Contracting is done on a competitive basis.
 - 2. The owner is the responsible agent but the Grantee prepares the work write-up and prepares, advertises, and distributes the bid package to eligible contractors on file (**see Sections 4.4. and 4.5.**), and assists the owner in negotiating the construction contract.
 - 3. The Grantee does not warrant any construction work or provide insurance coverage.

C. Approved Contractors

1. Contractors are required to be actively licensed with the State of California and in good standing with the Contractors' License Board.
2. Contractors are checked against HUD's federally debarred list of contractors. No award is granted to a contractor on this list.
3. Contractors are required to carry general liability insurance, worker's compensation, and unemployment and disability insurance, to the extent required by State law.
4. Contractor is required to comply with all federal and state regulations.

D. Warranties and Guarantees

1. Contractors are required to guarantee work for one year where material or subcontracted work is covered by an extended warranty.
2. Copies of all warranties are provided to the owner during project close-out.
3. Requests for warranty repairs by owner are made in writing and submitted directly to contractor.

E. Sweat Equity Labor

Owners may not participate in the rehabilitation of their housing unit by providing sweat equity labor.

F. Lead-Based Paint

Occupants of housing units constructed prior to 1978 receive proper notification of Lead-Based Paint (LBP) hazards as identified in **Section 3.4**.

Housing units constructed prior to 1978 are inspected according to the following HUD regulations. Refer to Chapter 20, Lead-Based Paint Requirements for guidance in the CDBG Grant Management Manual.

1. If the total amount of Federal assistance or the total amount of rehabilitation hard cost is up to and including \$5,000, **(Attachment H-2)** the following is required:
 - a. Paint testing or presume LBP;
 - b. Clearance of disturbed work areas; and
 - c. Notifications listed in **Section 3.4**.
2. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$5,000 up to and including \$25,000, **(Attachment H-3)** the following is required:
 - a. Paint testing or presume LBP;
 - b. Risk assessment; and

- c. Clearance of unit.

If LBP hazards are identified, interim controls are implemented. This level also requires a notice of "Abatement of Lead Hazards Notification" at least five days prior to starting work.

- 3. If the amount of Federal assistance or the total amount of rehabilitation hard cost is more than \$25,000, (**Attachment H-4**) the following is required:
 - a. Items (a), (b), and (c) of 2. above;
 - b. Abatement of all LBP hazards identified or produced;
 - c. Use of interim controls on exterior surfaces not disrupted by rehabilitation; and all notices listed above in **Sections 3.4. and 9.1.F.2.**
- 4. All paint tests that result in a negative finding of lead-based paint are exempt from any and all additional requirements. If defective paint surfaces are found, they are properly treated or abated. A State-certified Inspector/Assessor performs all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers perform all abatement.

9.2. Eligible Construction Costs

"Rehabilitation" means, in addition to the definition in Section 50096 of the Health and Safety Code, repairs and improvements to a housing unit necessary to correct any condition causing the housing unit to be substandard pursuant to Section 1704 of Title 25, California Code of Regulations. Rehabilitation also includes room additions to alleviate overcrowding when required by codes/ordinances (**Attachment C**). Rehabilitation also means repairs and improvements where necessary to meet any locally-adopted standards used in local rehabilitation programs. Rehabilitation does not include replacement of personal property. Fifth wheels or recreational vehicles, for example, are not considered housing units and therefore are not eligible.

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

Allowable rehabilitation costs include:

- A. Cost of building permits and other related government fees.
- B. Cost of architectural, engineering, and other consultant services that are directly related to the rehabilitation of the housing unit.
- C. Rehabilitation of a manufactured home not on a permanent foundation.
- D. Rehabilitation activity delivery fees, pursuant to Section 7733(f), as reimbursement to the Grantee for the actual costs of services rendered to the owner that are incidentally but directly related to the rehabilitation work (e.g. planning, engineering, construction management, including inspections and work write-ups).
- E. Rehabilitation addresses the following issues in the order listed. Eligible costs are included

for each item.

1. *Health and Safety Issues*

Eligible costs include, but are not limited to, energy-related improvements, lead-based paint hazard evaluation and reduction activities, improvements for handicapped accessibility, repair or replacement of major housing systems. A driveway may be considered part of rehabilitation if it is determined to be a health and safety issue.

2. *Code and Regulation Compliance*

Eligible costs include, but are not limited to, additional work required to rehabilitate and modernize a housing unit, and bring it into compliance with current building codes and regulations. Painting and weatherization are included.

3. *Demolition*

Eligible costs include, but are not limited to, the tear down and disposal of a dilapidated garage or shed. If a garage or carport is detached, it may not be rehabilitated but may be demolished, if it is determined to be a health and safety issue.

4. *Upgrades*

Eligible costs include additional bedrooms and bathrooms if need is demonstrated per HUD's overcrowding guidelines listed in **Attachment C**. The Program does not fund additions to a home for a den or family room, or for any luxury items.

5. *General Improvements*

Eligible costs include, but are not limited to, installation of a woodstove, refrigerator, and/or dishwasher; and repair or installation of fencing.

All improvements are required to be physically attached to the housing unit and permanent in nature. Non-code improvements are limited to 15 percent (15%) of the loan amount. Any cash contribution by the owner is considered a general improvement and included in this percentage.

Luxury items are not permitted, and may include, but are not limited to: hardwood floors, hot tubs, whirlpool baths, steam showers, fireplaces, washing machines, and dryers. Items such as refrigerators, cook stoves and dishwashers that are not built-in may be replaced due only to incipient failure or documented medical condition of the owner, and are of moderate quality.

6. *Rehabilitation Standards*

All repair work related to health and safety conditions is required to meet Local Building Code standards. The priority is the elimination of health and safety hazards and code compliance.

9.3. Eligible Project Costs

Project costs for all expenses related to the paperwork for processing and insuring a financing request, may include:

- Appraisal
- Legal Lot Determination
- Property Report/Title Insurance
- Building Plan
- Termite Report
- Lead Paint Testing
- Land Survey
- Grading Plan
- Recording Fees
- Fire/Course of Construction Insurance
- Flood Insurance
- Disposal Bin
- Storage

Costs are based on charges incurred by the Grantee for these products and/or services. Any cost increases charged to the Grantee for these products and/or services are passed on to the owner and included in the financing request, when permitted. In the event an application is denied, the Grantee absorbs these costs in its CDBG administrative budget. All fees are subject to change and are driven by the market.

9.4. Repair Callbacks

Contractors are required to comply with State law regarding all labor and material warranties.

9.5. Sweat Equity

Sweat equity is not allowed (**Section 9.1.E.**).

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES**10.1. Amendments**

The Grantee may make amendments to these Program Guidelines. Any changes are made in accordance with Federal and State regulations, and approved by the Grantee's Board of Supervisors via resolution.

10.2. Exceptions

Any case to which a standard policy or procedure, as stated in the guidelines, does not apply or when an owner is treated differently from others of the same class, is defined as an exception.

A. Procedures for Exceptional Circumstances

The Grantee may initiate consideration of an exception and prepare a report. This report contains a narrative, including the Grantee's recommended course of action and any written or verbal information supplied by the owner.

Depending on the basis of the exceptional circumstance, the Grantee makes the determination if the report is presented to the Loan Committee and/or Board of Supervisors for decision. Determination of the exception is based on the recommendation of the Grantee.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES

For this section only, the owner is hereinafter referred to as the "Claimant".

11.1. Appeal Procedure

A. Timely and Adequate Notice

1. Whenever an action resulting in a discontinuance or denial of services occurs, a Notice of Action is mailed to the claimant within ten (10) business days notifying services will be terminated, effective immediately.
2. Adequate Notice of Discontinuance of Services or Denial includes the following:
 - a. Notice date;
 - b. Effective date of the action;
 - c. Reasons and the appropriate regulation sections for the action; and,
 - d. Claimant's right to, and information on, requesting an Administrative Hearing.
3. Timely notice is not required for discontinuance or denial in the following instances:
 - a. The Grantee has factual information concerning the death of the claimant;
 - b. Claimant's whereabouts are unknown, and the Post Office or email service returned the claimant's mail or email to the Grantee with no forwarding address or as undeliverable; and/or,
 - c. The Grantee verified factual information that the claimant relocated to a new county;
 - d. Approval notice given at the time of approval states the discontinuance date.

B. Right to an Administrative Hearing

1. Claimants may seek corrective or other appropriate action from the Grantee before requesting an Administrative Hearing. However, claimants are not required to seek

such action before requesting a hearing.

2. If a claimant of the Program disagrees with any of the following actions, he or she may request an Administrative Hearing in writing:
 - a. Application denial; or,
 - b. Program related grievances; or
 - c. Discontinuance of services.
3. The Contractor informs all claimants of their right to:
 - a. Request an Administrative Hearing;
 - b. Be represented by a person of their own choosing, including legal counsel;
 - c. Review their records and interview witnesses in advance of an administrative hearing;
 - d. Present testimony on their own behalf; and,
 - e. Cross-examine any adverse witnesses.

C. Request for an Administrative Hearing

1. A request for an Administrative Hearing can be filed at any time.
 - a. Any requests for a hearing are forwarded immediately to the Appeals Unit.
 - b. A request for an Administrative Hearing must express the reason the claimant is dissatisfied, any actions desired by the claimant to resolve the issues, and a proposed date and time for an appeal hearing.
 - c. The request is required to be made by the claimant.

D. Scheduling the Hearing

1. The Administrative Hearing is scheduled as soon as administratively possible, but no later than thirty (30) business days after the request is received by the Grantee.
2. The hearing is held at the location designated by the Grantee.
 - a. The Appeals Unit mails the claimant notice of the time and place for the hearing, no less than ten (10) business days prior to the hearing date.
3. General rules and procedures:

- a. Attendance at the hearing is limited to those directly concerned;
 - i. The claimant;
 - ii. Any interpreter and/or witnesses;
 - iii. Grantee and contractor representatives, which includes the Appeals Officer and witnesses; and,
 - iv. The Hearing Officer.
- b. Appearance by the claimant is required at the hearing.
 - i. If the claimant's appointment notification is returned, and the Appeals Unit is unable to locate the claimant, the issue may be dismissed. If dismissed, the Appeals Unit sends notification to the claimant's last known address. The claimant may re-open the hearing if he/she contacts the Appeals Unit within thirty calendar (30) days of the scheduled hearing date.
 - ii. If the claimant or authorized representative does not appear for the scheduled hearing, and fails to contact the Appeals Unit to reschedule the hearing appointment, the issue is considered abandoned and may be dismissed. If dismissed, the Appeals Unit sends notification to the claimant.
 - iii. If the claimant contacts the Appeals Unit within ten calendar (10) days of the scheduled hearing date, the issue may be re-opened for hearing if the claimant has a good cause reason for non-attendance.
- c. Grantee and Contractor representatives are required to attend the hearing.
- d. The hearing is conducted in an impartial manner. All testimony is submitted under oath or affirmation.
- e. The proceedings of the hearing are recorded.
- f. The Hearing Officer is not bound by the rules, procedures, or evidence applicable in courts.
- g. The claimant is given the opportunity to examine any evidence used by the Grantee to support its decision and all documentary evidence submitted for the hearing.

E. Action by Health and Social Services Department Director

- 1. The Hearings Officer submits a written decision to the Health and Social Service's Department Director, or authorized designee, within five (5) business days of the Administrative Hearing.

- a. A decision granted in part overturns the specified action or determination.
 - b. A decision denied in part upholds the specified action or determination.
 - c. A decision dismissed or dismissed in part finds that the specified action or determination cannot be addressed in the hearing. Dismissals occur when:
 - i. The request for a hearing is solely based on an issue of law, including requests where no legal remedy exists.
 - ii. The hearing is abandoned.
2. The Hearings Officer recommends that the Director adopt the decision.
3. The Director, within fifteen (15) business days after receiving the written decision:
 - a. Adopts the proposed decision;
 - b. Adopts the proposed decision with modifications; or,
 - c. Returns the case for further hearing.
4. The written decision of the Hearings Officer is deemed adopted by the Director if the Director fails to act within the time prescribed.

11.2. Grievances Between Participants and Construction Contractor

Construction contracts signed by the contractor and owner include the following clause, which provides a procedure for resolution of grievances: "Any controversy arising out of or relating to this Contract, or the breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration."

12.0. ATTACHMENTS

The following documents are attached and form a part of these guidelines:

- A. Grantee's Executed Resolution Adopting Guidelines
- B. 24 CFR Part 5 Annual Income Inclusions and Exclusions
- C. Part 5 Annual Income Net Family Asset Inclusions and Exclusions
- D. CDBG Income Limits for Lassen County and Standards for Bedroom and Bathroom Additions
- E. County of Lassen's Residential Anti-Displacement and Temporary Relocation Plan
- F. County of Lassen's Loan Servicing Policies and Procedures
- G. County of Lassen's Foreclosure Policy
- H-1. Lead-Based Paint Visual Assessment, Notice of Presumption, & Hazard Reduction Form
- H-2. Lead-Based Paint Rehabilitation Assistance under \$5,000
- H-3. Lead-Based Paint Rehabilitation Assistance \$5,000 to \$25,000

- H-4. Lead-Based Paint Rehabilitation Assistance over \$25,000
- H-5. CDBG Lead-Based Paint Housing Rehabilitation Matrix
- I. Certification of Occupancy

RESOLUTION #

**AUTHORIZING THE ADOPTION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING
REHABILITATION PROGRAM GUIDELINES**

WHEREAS, the County of Lassen periodically receives funding from the CDBG Program to fund the Housing Rehabilitation Program; and

WHEREAS, CDBG requires that the Board of Supervisors approve Program Guidelines that are compliant with CDBG and HCD regulations prior to the implementation of the County's Housing Rehabilitation Program; and

WHEREAS, the County of Lassen last updated its Housing Rehabilitation Program Guidelines on November 22, 2011; and

WHEREAS, the County's Housing Rehabilitation Program Guidelines have been significantly updated to comply with the most current regulations, as recommended by CDBG; and

WHEREAS, the CDBG Program approved the County's CDBG Housing Rehabilitation Program Guidelines on {DATE};

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Lassen does hereby formally adopt the CDBG Housing Rehabilitation Program Guidelines.

The foregoing resolution was adopted at a regular meeting of the Board of Supervisors of the County of Lassen, State of California, held on the ____ day of _____, 2017, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Chairman of the Board of Supervisors,
County of Lassen, State of California

ATTEST:
JULIE BUSTAMANTE
Clerk of the Board

BY _____
MICHELE YDERRAGA, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a regular meeting thereof held on the ____ day of _____, 2017.

Deputy Clerk of the County of Lassen Board of Supervisors

Attachment B

24 CFR PART 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

Part 5 Inclusions

This table presents the Part 5 income inclusions as stated in the Income Calculation and Determination Guide for Federal Programs (First Edition; July 2010).

General Category	Last Modified: January 2005
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Business Income	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.
3. Interest & Dividend Income	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.
4. Retirement & Insurance Income	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 payment (except for certain exclusions, listed in Income Exclusions, number 14).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except for certain exclusions, listed in Income Exclusions, number 3).
6. Welfare Assistance	<p>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"> ▪ Qualify as assistance under the TANF program definition at 45 CFR 260.31; and ▪ Are otherwise excluded from the calculation of annual income per 24 CFR 5.609(c). <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"> ▪ the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus: ▪ the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family 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.
7. Alimony, Child Support, & Gift Income	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.
8. Armed Forces Income	All regular pay, special pay, and allowances of a member of the Armed Forces (except as provided in number 8 of Income Exclusions).

Part 5 Exclusions

This table presents the Part 5 income exclusions as stated in the Income Calculation and Determination Guide for Federal Programs (First Edition; July 2010).

General Category	Last Modified: January 2005
1. Income of Children	Income from employment of children (including foster children) under the age of 18 years.
2. Foster Care Payments	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).
3. Inheritance and Insurance Income	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 for certain exclusions, listed in Income Inclusions, number 5).
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Income from a Disabled Member	Certain increase 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)).
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. "Hostile Fire" Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> 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 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. 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.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparation Payments	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.
12. Income from Full-time Students	Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	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.
16. Home Care Assistance	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 this developmentally disabled family member at home.

17. Other Federal Exclusions	<p>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. 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"> ▪ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977; ▪ 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); ▪ Payments received under the Alaskan Native Claims Settlement Act; ▪ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians; ▪ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; ▪ Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program. ▪ Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721); ▪ 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; ▪ 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; ▪ 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); ▪ 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 In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.); ▪ Earned income tax credit refund payments received on or after January 1, 1991, including advanced earned income credit payments; ▪ 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; ▪ 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). ▪ Payments by the Indians Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation; ▪ Allowances, earnings, and payments to AmeriCorps participants under the National and Community Services Act of 1990; ▪ 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; ▪ 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 ▪ Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.
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PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the Income Calculation and Determination Guide for Federal Programs (First Edition; July 2010).

Statements from 24 CFR Part 5 – Last Modified: January 2005.

Inclusions

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.
2. Cash value of revocable trusts available to the applicant.
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.
4. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
5. Individual retirement, 401(K), and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
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).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
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.
10. Mortgages or deeds of trust held by an applicant.

Exclusions

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.
2. Interest in Indian trust lands.
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.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
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.

INCOME LIMITS AND STANDARDS FOR ADDITIONS TO ALLEVIATE OVERCROWDING

2017 Median Family Income for Lassen County*

Number of Persons in Household								
	1	2	3	4	5	6	7	8
80% of AMI	\$38,550	\$44,050	\$49,550	\$55,050	\$59,500	\$63,900	\$68,300	\$72,700

*Grantee will insert the limits for the county in which the Program is located, and will update the income limits annually as HCD provides new information. The link to the official, HCD-maintained, income limits is: <http://www.hcd.ca.gov/hpd/hrc/rep/state/incNote.html>

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	SRO	1
1	0-BR	1
2	1-BR	1
4	2-BR	2
6	3-BR	2
8	4-BR	3
10	5-BR	3
12	6-BR	4

The chart above is used as a guide to overcrowding.

- Opposite sex children under 6 years of age may share a bedroom, up to 2 children per bedroom.
- Opposite sex children 6 years of age and older may have their own bedroom.
- Children shall be permitted a separate bedroom from their parents.
- Same sex children of any age may share a bedroom, up to 2 children per bedroom.
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom may be added.
- 8 or more people – a third bathroom may be added.
- Same rules apply to mobile home units.

**COUNTY OF LASSEN'S
RESIDENTIAL ANTI-DISPLACEMENT AND TEMPORARY RELOCATION PLAN**

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require all grantees of Community Development Block Grant (CDBG) funds or Home Investment Partnership (HOME) funds to follow a written Residential Anti-Displacement and Relocation Assistance Plan (Plan) for any activities which could lead to displacement of occupants whose property is receiving funds from the Program or other federal funding sources. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the County of Lassen (Grantee) with the requirements of federal regulations 24 CFR 570.606 under state recipient requirements and Section 104(d) of the Housing and Community Development Act of 1974 and 24 CFR 92 of the HOME federal regulations. The Plan will outline reasonable steps, which the Grantee will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The Grantee's Board of Supervisors has adopted this plan via a formal resolution.

This Plan will affect rehabilitation activities funded by the U.S. Department of Housing and Urban Development (HUD) under the following program titles: HOME, CDBG, Urban Development Action Grant (UDAG), Special Purpose Grants, Section 108 Loan Guarantee Program, and such other grants as HUD may designate as applicable, which take place within the Grantee's jurisdiction limits.

The Grantee will provide permanent relocation benefits to all eligible "displaced" households either owner-occupied or rental-occupied units which are permanently displaced by the Program. In addition, the Grantee will replace all eligible occupied and vacant low-to moderate-income housing units demolished or converted to a use other than low-to moderate-income housing as a direct result of rehabilitation activities. This applies to all units assisted with funds provided under the Housing and Community Development Act of 1974, as amended, and as described in the Federal Regulations 24 CFR 570.496(a), Relocation, Displacement and Acquisition: Final Rule dated July 18, 1990 (Section 104(d)) and 49 CFR Part 24, Uniform Relocation Assistance (URA) and Real Property Acquisition Regulations Final Rule and Notice (URA) dated March 2, 1989.

All Grantee Programs/projects are implemented in ways consistent with the Grantee's commitment to Fair Housing. Participants will not be discriminated against on the basis of race, color, religion, age, ancestry, national origin, sex, familial status, or handicap. The Grantee will provide equal relocation assistance available 1) to each low- to moderate-income household displaced by the demolition or rehabilitation of the housing unit or by the conversion of a low- to moderate-income housing unit to another use as a direct result of assisted activities; and 2) to each separate class of low- to moderate-income occupants temporarily relocated as a direct result of activities funded by HUD programs.

Minimizing Permanent Displacement and Temporary Relocation Resulting from Housing Rehabilitation or Reconstruction Activities:

Consistent with the goals and objectives of activities assisted under the Act, the Grantee will take the following steps to minimize the displacement of persons from their housing units during housing rehabilitation or reconstruction funded by HUD programs:

- A. Provide proper notices with counseling and referral services to all tenants so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced households find alternate housing in the neighborhood.

- B. Stage rehabilitation of assisted households to allow owner-occupants and/or tenants to remain during minor rehabilitation.
- C. Encourage owner-investors to temporarily relocate tenants to other available safe and sanitary vacant housing units on the project site area during the course of rehabilitation or pay expenses on behalf of replaced tenants.
- D. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
- E. When necessary, use public funds, such as CDBG funds, to pay moving costs and provide relocation/displacement payments to households permanently displaced by assisted activities.

Lead Based Paint Mitigation Which Causes Temporary Relocation:

On September 15, 2000, the Final Rule for Lead Based Paint Hazard Control went into effect. Among other things, it requires that federally-funded rehabilitation must use safe work practices so that occupants and workers can be protected from lead hazards. **At no time should the tenant-occupants be present in work areas or designated adjacent areas while lead hazard control activities are taking place in any housing unit's interior, common area, or exterior.** As such, occupants may not be allowed to remain in their housing units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards is completed, and the unit passes clearance, the occupants can return. **The tenant-occupants may not reoccupy a work area or adjacent area until post-lead hazard reduction clearance standards have been achieved and verified with laboratory results.** The final rule allows for certain exceptions to the Program:

- A. The work does not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
- B. The work is on exterior only and openings are sealed to prevent dust from entering the housing unit, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
- C. The interior work is completed in one period of less than 8-daytime hours and the work site is contained to prevent the release of dust into other areas of the housing unit; or
- D. The interior work is completed within five calendar days, the work site is contained to prevent the release of dust, the worksite and areas within ten feet of the worksite are cleaned at the end of each day to remove any visible dust and debris, and the residents have safe access to kitchen and bath and bedrooms.

If temporary relocation benefits are not provided because the Grantee believes that the project meets one of the above criteria, then proper documentation must be provided in the project file to show compliance. It is up to the Grantee to ensure that the owner-occupant or tenant in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants (tenants or owners) are strongly encouraged to relocate even for just a few days until a final lead clearance can be issued by a certified lead based paint assessor. Occupants who are temporarily relocated because of lead based paint mitigation are entitled to the same relocation benefits as those who are relocated because of substantial rehabilitation or reconstruction activities.

Temporary Relocation of Owner-Occupants:

Owner-occupants are not allowed to stay in units which are hazardous environments during lead based paint mitigation. When their housing unit is having lead based paint mitigation work done which will not make it safe to live in, then they are eligible for temporary relocation benefits up to \$3,000, which will be provided as a

grant. In the same way, a unit requiring substantial rehabilitation (with or without lead based paint mitigation) which does not allow the household to access a bath or kitchen facility, or if the housing unit is being demolished and reconstructed, then the occupants will be eligible for temporary relocation benefits up to \$3,000, which will be provided as a grant. In no case shall the grant for temporary relocation exceed \$3,000 for any one owner occupant.

Owner-occupants are encouraged to move in with family or friends during the course of rehabilitation, since they are voluntarily participating in the Program. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will complete a temporary relocation benefits form (**Attachment E-3**) to document that the owner-occupant understands that they must relocate during the course of construction and what benefits they wish to be reimbursed for as part of their relocation.

Temporary Relocation of Residential Tenants:

If continued occupancy during rehabilitation is judged to constitute a substantial danger to health and safety of the tenant or the public, or is otherwise undesirable because of the nature of the project, the tenant may be required to relocate temporarily. The contract administrator or rehabilitation specialist makes the determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation are reasonable. Any tenant required to relocate temporarily is helped to find another place to live which is safe, sanitary and of comparable value and they have the first right to move back into the original housing unit being rehabilitated at the same rent or lower. He or she may move in with family and friends and still receive full or partial temporary assistance based on eligible cost incurred. The housing rehabilitation loan specialist and/or the rehabilitation construction specialist will ensure each tenant-occupied housing unit under the Program receives a General Information Notice (as soon as possible after a loan application is received) and the tenant receives a Notice of Non-Displacement (after loan approval), and each tenant-occupied housing unit has a temporary relocation benefits form completed for them (**Attachment E-3**). These notices document each tenant understands what their relocation rights are, and if they must relocate during the course of construction, that they receive the proper counseling and temporary relocation benefits. A tenant receiving temporary relocation may receive the following:

- A. Increased housing costs (e.g. rent increase, security deposits) and
- B. Payment for moving and related expenses, as follows:
 - 1. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - 2. Packing, crating, unpacking, and uncrating of personal property;
 - 3. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - 4. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - 5. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - 6. The replacement value of property lost, stolen or damaged in the process of moving (not through the fault of the displaced person, his or her agent, or employee) where insurance covering such loss, theft

or damage is not reasonably available;

7. Reasonable and necessary costs of security deposits required to rent the replacement housing unit;
8. Any costs of credit checks required to rent the replacement housing unit;
9. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - a. Interest on a loan to cover moving expenses; or
 - b. Personal injury; or
 - c. Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the grantee; or
 - d. Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

Rehabilitation Activities Requiring Permanent Displacement:

The Program does not typically trigger permanent displacement and permanent displacement activities fall outside of the scope of this Plan. If a case of permanent displacement is encountered, then the staff responsible for the Programs will consult with Grantee's legal counsel to decide if they have the capacity to conduct the permanent displacement activity. If local staff does not have the capacity, then a professional relocation consultant is hired to do the counseling and benefit determination and implementation. If local staff does wish to do the permanent displacement activity then they will consult and follow the HUD Relocation Handbook 1378.

Rehabilitation Which Triggers Replacement Housing:

If the Program assists a property where one or more units are eliminated then under Section 104 (d) of the Housing and Community Act of 1974, as amended, applies and the Grantee is required to replace those lost housing units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities reduces the number of housing units in the jurisdiction, then the Grantee must document that any lost housing units are replaced and any occupants of reduced units are given permanent relocation benefits. This does not apply to reconstruction or replacement housing done under the Program where the existing housing unit(s) are demolished and replaced with a housing unit(s) equal in size without a loss in number of units or bedrooms.

Replacement housing is provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the Grantee to provide funds for an activity that directly results in such demolition or conversion, the Grantee makes this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submits to HCD or the appropriate federal authority the following information in writing:

- A. A description of the proposed assisted activity;
- B. The location on a map and the approximate number of housing units by size (number of bedrooms) that are demolished or converted to a use other than low- to moderate-income housing units as a direct result of the assisted activity;
- C. A time schedule for the commencement and completion of the demolition or conversion;

- D. The location on a map and the approximate number of housing units by size (number of bedrooms) that are provided as replacement housing units;
- E. The source of funding and a time schedule for the provision of the replacement housing units;
- F. The basis for concluding that each replacement housing unit remains low- to moderate-income housing units for at least 10 years from the date of initial occupancy; and,
- G. Information demonstrating any proposed replacement of housing units with smaller housing units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of low- to moderate-income households in the jurisdiction.

The Grantee is responsible for tracking the replacement of housing units and ensuring that it is provided within the required period. The Grantee is responsible for ensuring requirements are met for notification and provision of relocation assistance, as described in Section 570.606, to any low- to moderate-income displaced by the demolition of any housing unit or the conversion of a low- to moderate-income housing unit to another use in connection with an assisted activity.

Record Keeping and Relocation Disclosures/Notifications:

The Grantee maintains records of occupants of federally funded rehabilitated, reconstructed or demolished housing units from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable Program regulations. Each project, which dictates temporary or permanent or replacement activities, has a project description and documentation of assistance provided. (See sample forms in HUD Relocation Handbook 1378, Chapter 1, Appendix 11, form HUD-40054)

Appropriate advisory services include reasonable advanced written notice of 1) the date and approximate duration of the temporary relocation; 2) the address of the suitable, decent, safe, and sanitary housing unit made available for the temporary period; 3) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary housing unit.

Notices are written in plain, understandable primary language of the persons involved. Persons who are unable to read and understand the notice (e.g. illiterate, foreign language, or impaired vision or other disability) are provided with appropriate translation/communication. Each notice indicates the name and telephone number of the person to be contacted for answers to questions or other needed help. The notices and process below is only for temporary relocation. If permanent relocation is involved then other sets of notices and noticing processes and relocation benefits are applied, reference HUD's Relocation Handbook 1378 for these forms and procedures. The Temporary Relocation Advisory Notices provided are as follows:

- A. **General Information Notice:** As soon as feasible when an owner-investor applies for financing from the Program, the tenant of a housing unit is mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant is able to occupy his or her present house upon completion of rehabilitation. The tenant is informed that the rent after rehabilitation will not exceed current rent or thirty percent of his or her average monthly gross household income. The tenant is informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable housing is made available and he or she is reimbursed for all reasonable extra expenses. The tenant is cautioned that he or she is not provided relocation assistance if he or she decides to moves for personal reasons. **See Attachment E-1 for sample notice to be delivered personally or by certified mail.**
- B. **Notice of Non Displacement:** As soon as feasible when the project application is approved, the tenant is

informed they will not be permanently displaced and are eligible for temporary relocation benefits because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their housing unit. The tenant is again cautioned not to move for personal reasons during rehabilitation, or risk losing relocation assistance. **See Attachment E-2 for sample notice to be delivered personally or by certified mail.**

- C. Disclosure to Occupants of Temporary Relocation Benefits: This form is completed to document the Grantee is following its adopted Plan for owner-occupants and tenants. **See Attachment E-3 for a copy of the disclosure form.**
- D. Other Relocation/Displacement Notices: The above three notices are required for temporary relocation. If the Grantee is attempting to provide permanent displacement benefits then there are a number of other forms which are required. Staff will consult HUD's Relocation Handbook 1378 to ensure all the proper notices are provided for occupants permanently displaced as a result of the Program.

(date)

(address)

Dear (tenant) ,

On (date) , (property owner) submitted an application to the for financial assistance to rehabilitate the building which you occupy at (address) .

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you will not be displaced. Therefore, we urge you not to move anywhere at this time. (If you do elect to move for reasons of your choice, you will not be provided relocation assistance.)

If the application is approved and Federal assistance is provided for the rehabilitation, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. Of course, you must comply with standard lease terms and conditions.

After the rehabilitation, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30 percent of your gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs. The temporary relocation benefits will be provided by the property owner.

Again, we urge you not to move. If the project is approved, you can be sure that we will make every effort to accommodate your needs. Because Federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. You will be contacted soon. In the meantime, if you have any questions about our plans, please contact (name) , (title) , at (telephone number) , (address) .

Sincerely,

 (name)

 (title)

(date)

(address)

Dear _____ (tenant) _____,

On (date), we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On (date), the owner's request was approved, and the repairs will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment [or another suitable, decent, safe and sanitary apartment in the same building/complex] upon completion of the rehabilitation. Your monthly rent will remain until after construction is completed. If increased after construction is done, your new rent and estimated average utility costs will not exceed local fair market rents for your community. Of course, you must comply with all the other reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you have any questions, please contact (name), (title), at (phone #), (address). Remember; do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

(name)

(title)

DISCLOSURE TO OCCUPANT OF TEMPORARY RELOCATION BENEFITS*Top to be completed at time of loan application submittal or Home Visit***Property Address:** _____

The rehabilitation loan specialist working on behalf of the County of Lassen has explained the temporary relocation services and benefits available under the current rehabilitation program relocation plan.

I/we have been advised that the County Lassen rehabilitation construction specialist will inform me if I need to be temporarily relocated and will to assist me with scheduling any necessary moves and answer any questions about assistance as needed.

Acknowledged: _____

Occupant Signature_____
Date_____
Occupant Signature_____
Date**Complete this at time of acceptance of Work Write Up with initials by occupant**

The rehabilitation construction specialist for the County of Lassen's Grantee has explained the Rehabilitation Scope of Work for our house and I/we agree that it will:

- ☐ Not require I/we to be relocated. **(If initialed then STOP here and sign bottom.)**
☐ Yes, I/we need to be temporarily relocated. **(Complete rest of form if initialed.)**

Start date and duration of relocation:

- ☐ Starting on or about _____ we will move for all or part of the rehabilitation project.
☐ Approximate length of temporary relocation: _____ (number of days).

For temporary relocation. I/We elect to (check all that apply):

- ☐ Relocate with friends and family.
☐ Relocate into a suitable temporary housing unit identified by the Grantee's staff.
☐ Relocate furnishings only into a temporary storage unit.
☐ I/We have been told and understand that I/we are not eligible for relocation expenses.
☐ I/We have been told what our relocation benefits are and elect **NOT** to be reimbursed for any eligible relocation expenses.
☐ I/We have been told what our relocation benefits are and want to be reimbursed for: _____

By signing, occupant(s) acknowledge receipt of copy of this form:

Occupant Signature_____
Date_____
Occupant Signature_____
Date

**COUNTY OF LASSEN'S
LOAN SERVICING POLICIES AND PROCEDURES**

The County of Lassen, hereafter called "Grantee," has adopted these policies and procedures in order to preserve its financial interest in properties, whose "Borrowers" have been assisted with public funds. The Grantee will to the greatest extent possible follow these policies and procedures, but each loan is evaluated and handled on a case-by-case basis. The Grantee has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions, which are associated with them.

The policies and procedures are broken down into the follow areas: 1) making required monthly payments or voluntary payments on a loan's principal and interest; 2) required payment of property taxes and insurance; 3) required Request for Notice of Default on all second mortgages; 4) loans with annual occupancy restrictions and certifications 5) required noticing and limitations on any changes in title or use of property; 6) requests for subordination; and, 7) processing of foreclosure in case of default on the loan.

Loan Repayments:

For amortized loans, the Grantee will collect monthly payments. The due date of the loan is the first of every month. Borrowers have a fifteen day grace period to pay the monthly amount before late charges are incurred. After the fifteenth of every month a late charge of ten percent of the payment amount is added to the invoice.

For deferred payment loans, the Grantee may accept voluntary payments.

Loan payments are credited to interest first and then to principal. Borrower may repay the loan balance at any time with no penalty.

Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Grantee as loss payee in first position or additional insured if the loan is a junior lien. If Borrower fails to maintain the necessary insurance, the Grantee may take out forced place insurance to cover the property while Borrower puts a new insurance policy in place. All costs for installing the necessary insurance are added to the loan balance at time of installation of Borrower's new insurance.

When a property is located in a 100-year flood plain, Borrower is required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance is required at close of escrow. The Grantee will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If Borrower fails to maintain payment of property taxes then the Grantee may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan. Wherever possible, the Grantee encourages Borrower to have impound accounts set up with their first mortgagee wherein they pay their taxes and insurance as part of their monthly mortgage payment.

Required Request for Notice of Default:

When Borrower's loan is in second position behind an existing first mortgage, it is the Grantee's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Grantee's loan. This

document requires any senior lien holder listed in the notice to notify the Grantee of initiation of a foreclosure action. The Grantee will then have time to contact Borrower and assist them in bringing the first loan current. The Grantee can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Grantee is in a third position and receives notification of foreclosure from only one senior lien holder, it is in their best interest to contact any other senior lien holders regarding the status of their loans.

Annual Occupancy Restrictions and Certifications:

The Grantee requires that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. These loan terms are incorporated in the loan and/or limitation agreement.

Required Noticing and Restrictions on Any Changes of Title or Occupancy:

In all cases where there is a change in title or occupancy or use, Borrower must notify the Grantee in writing of any change. Grantee and Borrower will work together to ensure the property is kept in compliance with the original Program terms and conditions such that it remains available as an affordable housing unit for low income families. These types of changes are typical when Borrowers do estate planning (adding a relative to title) or if a Borrower dies and property is transferred to heirs or when the property is sold or transferred as part of a business transaction. Changes in title or occupancy must be in keeping with the objective of benefit to low-income households (below 80 percent of AMI).

Change from owner-occupant to owner-occupant occurs at a sale. In this case the loan is not assumable and the balance is immediately due and payable. If a transfer of the property occurs through inheritance, the heir (as owner-occupant) may be provided the opportunity to assume the loan at an interest rate based on household size and household income, provided the heir is income eligible. If the heir intends to occupy the housing unit and is not low-income, the balance of the loan is due and payable. If the heir intends to act as an owner-investor, the balance of the loan is due and payable.

Change from owner-occupant to owner-investor occurs when an owner-occupant decides to move out and rent the assisted property, or if the property is sold to an investor. If the owner converts any assisted unit from owner-occupied to rental, the loan is due and payable.

Conversion to use other than residential use is not allowable where the full use of the property is changed from residential to commercial or other. In some cases, Borrowers may request that the Grantee allow for a partial conversion where some of the residence is used for a business but the household still resides in the property. Partial conversions can be allowed if it is reviewed and approved by any and all agencies required by local statute. If the use of the property is converted to a fully non-residential use, the loan balance is due and payable.

Requests for Subordinations:

The Grantee does not approve a request to subordinate a Program loan. When a Borrower wishes to refinance the housing unit, the loan balance is due and payable.

Process for Loan Foreclosure:

Upon any condition of loan default: 1) non-payment; 2) lack of insurance or property tax payment; 3) violation of any agreement; 4) change in title or use without approval; or, 5) default on senior loans, the Grantee will send out a letter to Borrower notifying them of the default situation. If the default situation continues, the Grantee may start a formal process of foreclosure.

When a senior lien holder starts a foreclosure process and the Grantee is notified via a Request for Notice of Default, the Grantee, who is the junior lien holder, may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Grantee must confer with Borrower to determine if, upon paying the senior lien holder current, Borrower can provide future payments. If this is the case, then the Grantee may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Grantee determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then staff must determine if it is cost effective to protect their position by paying off the senior lien holder in total and restructure the debt such that the unit is made affordable to Borrower. If the Grantee does not have sufficient funds to pay the senior lien holder in full, then they may choose to cure the senior lien holder and foreclose on the property themselves. As long as there is sufficient value in the property, the Grantee can afford to pay for the foreclosure process and pay off the senior lien holder and retain some or all of their investment.

If the Grantee decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four to six months from the date of recording of the "Notice of Default." If the Grantee fails to reinstate the senior lien holder before five days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Grantee determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Grantee's lien may be eliminated due to insufficient sales proceeds.

**COUNTY OF LASSEN'S
FORECLOSURE POLICY****Thirty Day Delinquencies**

The Grantee sends Borrower a registered letter immediately following the grace period, noting the amount delinquent plus late charges. This letter is followed by a telephone call reminding Borrower of the loan amount and due date.

Sixty Day Delinquencies

The Grantee sends Borrower a registered letter immediately following the grace period, noting the amount delinquent plus late charges. In this letter, a date and time is set for a meeting between Borrower and Grantee with the following items of discussion:

- Reasons for delinquency.
- Any changes in Borrower's health, family circumstances, or financial status in which limits repayment ability.
- Amount in arrears.

At the conclusion of this meeting, the following is determined:

- How and when the amount in arrears will be paid.
- If financial counseling is needed.
- If personal emergency (loss of job, loss of spouse, serious illness, etc.) has restricted repayment ability.

Ninety Day Delinquencies

The Grantee sends Borrower a registered letter immediately following the grace period, noting the amount delinquent plus late charges. In this letter, a date and time is set for a meeting between Borrower, Loan Committee, and Grantee. If Borrower is unable to afford the full monthly installment, due to an emergency, the Loan Committee may exercise one or more of the following options:

- Extend the time of payment or alter the terms of the indebtedness.
- Accept additional security of any kind including but not limited to: trust deeds or mortgages.
- Alter, substitute, or release any property securing the indebtedness.

If no response is received by the ninety day delinquency date, Borrower is reported to all three credit bureau agencies.

Foreclosures

If Borrower does not appear for the sixty day delinquency meeting or contact the Grantee to reschedule the meeting within ten days, foreclosure proceedings immediately begin.

Any Borrower who participates in the Program and becomes ninety days delinquent within two years of renegotiating their loan terms from a previous delinquency are subject to immediate foreclosure.

Grantee As Junior Lien holder

It is the Grantee's policy to prepare and record a "Request for Notice" on all junior liens (any lien after the first position) placed on properties financed by a loan.

This document requires any senior lien holder to notify the Grantee of initiation (recordation of a "Notice of Default") of a foreclosure only. This is to alert the junior lien holder that they are to monitor the foreclosure with the senior lien holder. When the Grantee is in a third position and receives notification of foreclosure from only one senior lien holder, it would be in their best interest to contact both senior lien holders regarding the status of their loans.

The junior lien holder may cancel the foreclosure proceedings by "reinstating" the senior lien holder. The reinstatement amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges, advances (fire insurance premiums, property taxes, property protection costs, etc.), and foreclosure costs (fees for legal counsel, recordings, certified mail, etc.)

Once the Grantee has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lien holder, keeping them current by submitting a monthly payment thereafter, foreclosing on the property possibly resulting in owning the property at the end of foreclosure, protecting the property against vandalism, and paying marketing costs (readying the property unit for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the Grantee decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four to six months from the date of recording of the "Notice of Default." If the Grantee fails to reinstate the senior lien holder before five days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Grantee determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Grantee's lien may be eliminated due to insufficient sales proceeds

Grantee As Senior Lien holder

When the Grantee is in first position first position as a senior lien holder, active collection efforts will begin on any loan that is thirty-one or more days in arrears. Attempts will be made to assist Borrower in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached ninety days in arrears, at which time the Grantee may consider foreclosure. Grantee's staff will consider the following factors before initiating foreclosure:

1. Can the loan be cured and can the rates and terms be adjusted to allow for affordable payments such that foreclosure is not necessary?
2. Can Borrower refinance with a private lender and pay off the Grantee?
3. Can Borrower sell the property and pay off the Grantee?
4. Does the balance warrant foreclosure? (If the balance is under \$5,000, the expense to foreclose may not be worth pursuing.)
5. Will the sales price of the property "as is" cover the principal balance owing, necessary advances, (maintain fire insurance, maintain or bring current delinquent property taxes, monthly yard maintenance, periodic inspections of property to prevent vandalism, etc.) foreclosure, and marketing costs?

If the balance is substantial and all of the above factors have been considered, the Grantee may opt to initiate foreclosure. Borrower must receive, by certified mail, a thirty-day notification of foreclosure initiation. This notification must include the exact amount of funds to be remitted to the Grantee to prevent foreclosure (such

as, funds to bring a delinquent amortized loan current or pay off a DPL).

At the end of thirty days, the Grantee should contact a reputable foreclosure service or local title company to prepare and record foreclosure documents and make all necessary notifications to the owner and junior lien holders. The service will advise the Grantee of all required documentation to initiate foreclosure (Note and Deed of Trust usually) and funds required from the owner to cancel foreclosure proceedings. The service will keep the Grantee informed of the progress of the foreclosure proceedings.

The process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale. The Grantee could contract with a local real estate broker to list and sell the property.

Attachment H-1

LEAD-BASED PAINT VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, & HAZARD REDUCTION FORM

Form: LBP #1

Section 1: Background Information.			
Property Address:		No LBP found or LBP exempt <input type="checkbox"/>	
Select one:	Visual Assessment <input type="checkbox"/>	Presumption <input type="checkbox"/>	Hazard Reduction <input type="checkbox"/>

Section 2: Visual Assessment. Fill out Sections 1, 2, & 6. If paint stabilization is performed, also fill out Sections 4 & 5 after the work is completed.	
Visual Assessment Date:	Report Date:
Check if no deteriorated paint found <input type="checkbox"/>	
Attachment A: Summary where deteriorated paint was found. For multi-family housing, list at least the housing unit numbers & common areas & building components (including type of room or space, & the material underneath the paint).	

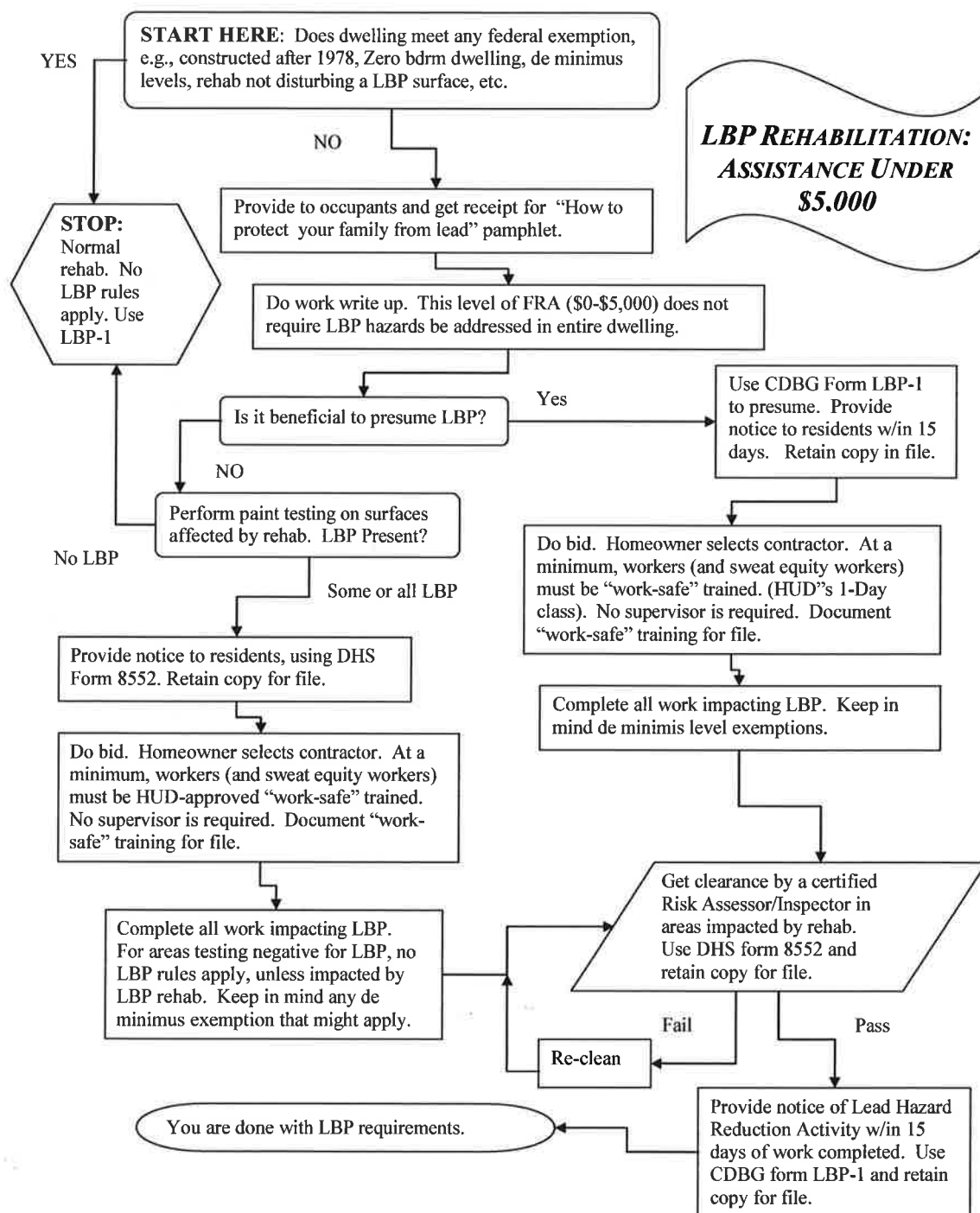
Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, & 6. Provide to occupant with in 15 days of presumption.	
Date of Presumption Notice:	
Lead-based paint is presumed to be present <input type="checkbox"/> and/or Lead-based paint hazards are presumed to be present <input type="checkbox"/>	
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers & common areas, bare soil locations, dust-lead location, and/or building components (including type of room or space, & the materials underneath the paint) of lead-based paint and/or hazards presumed to be present.	

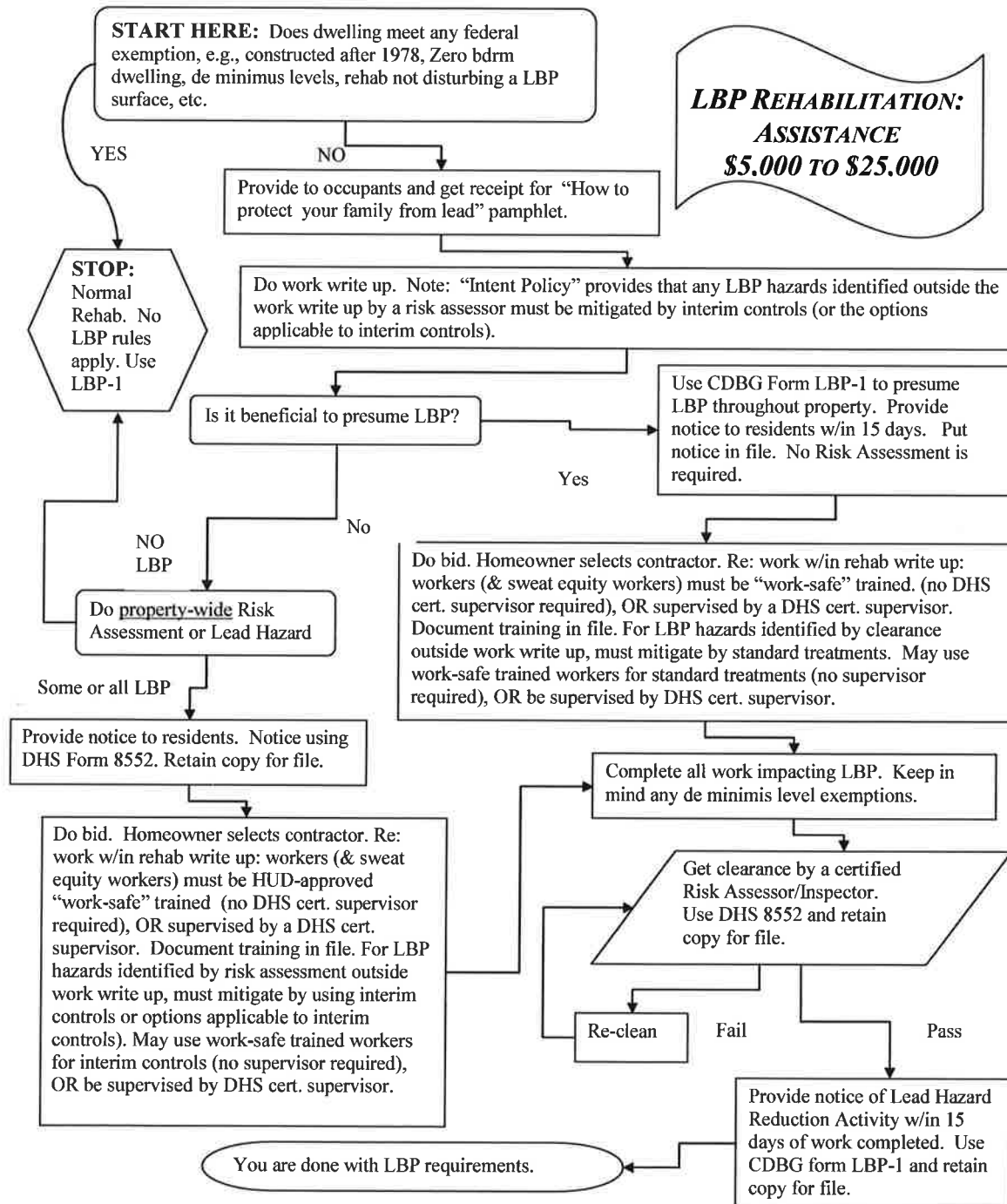
Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, & 6. Provide to occupant with in 15 days of after work completed.	
Date of Hazard Reduction Notice:	
Initial Hazard Reduction Notice? Yes <input type="checkbox"/> No <input type="checkbox"/>	Start & Completion Dates:
If "No", dates of previous Hazard Reduction Activity Notices:	
Attachment C: Activity locations and types. For multi-family housing, list at least the housing unit numbers & common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, & the material underneath the paint), & the types of lead-based paint hazard reduction activities performed at the location listed.	
Attachment D: Location of building components with <u>lead-based paint remaining</u> in the rooms, spaces or areas where activities were conducted.	
Attachment E: Attach clearance report(s), using DHS form 8552 (and 8551 for abatement activities)	

Section 5: Resident Receipt of Notice for Presumption or Lead-Based Paint Hazard Reduction Activity		
Printed Name:	Signature:	Date:

Section 6: Contact Information		Organization:
Contact Name:	Contact Signature:	
Date:	Address:	Phone:

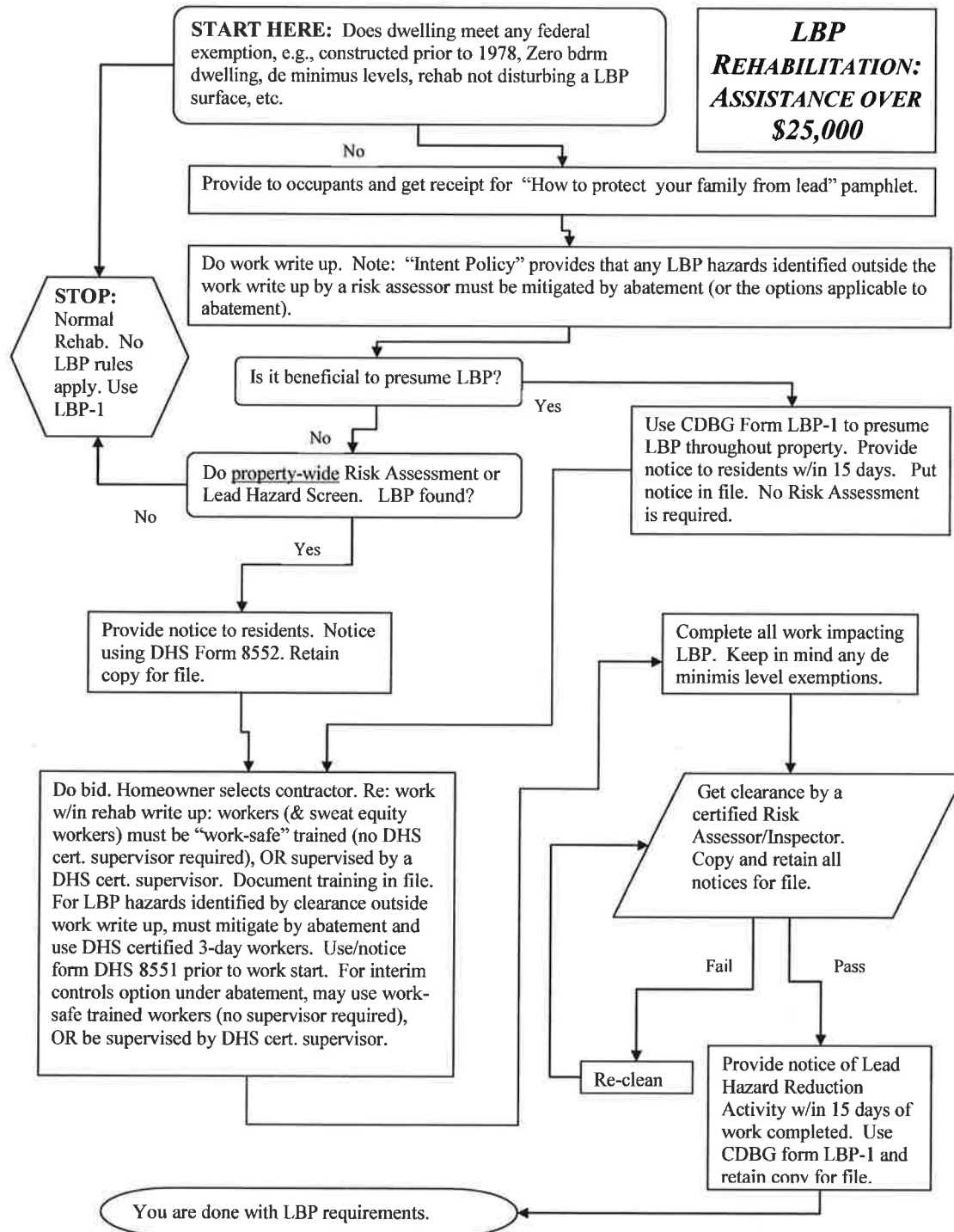
LEAD-BASED PAINT REHABILITATION ASSISTANCE UNDER \$5,000



LEAD-BASED PAINT REHABILITATION ASSISTANCE \$5,000 TO \$25,000

Rev 6/24/04

LEAD-BASED PAINT REHABILITATION ASSISTANCE OVER \$25,000



CDBG LEAD-BASED PAINT HOUSING REHABILITATION MATRIX

			0 → \$5,000	\$5,001 → \$25,000	\$25,001+
Hazard Evaluation	Type		Paint Testing on surfaces affected by rehabilitation		
			No RA Required		In addition to Paint Testing, Risk Assessment (RA)
	Cert. Required		Department of Health Services (DHS) certified RA/Inspector		
Notices/Reports			Lead-Based Paint (LBP) Pamphlet Renter’s LBP Disclosure Form, if applicable Paint testing/Risk Assessment: DHS form 8552 Presumption: CDBG LBP-#1 Hazard notification: DHS form 8551 prior to work start Clearance: DHS form 8552 LBP Hazard Reduction Activity: CDBG LBP-#1		
Lead Hazard Reduction	Type		Safe work practices	Interim Controls	-Interior/Exterior paint disturbed by HR: Abatement -Exterior paint not disturbed by HR: Interim Controls
	Certificate Required	Worker	-Workers (including sweat equity) must be “work safe” trained, and no supervisor required, or -Workers supervised by DHS certified Supervisor, or -Workers have taken DHS certified worker class.	See “Under \$5,000” category	Int/Ext: 3 Day DHS certified worker required
					Ext. w/Interim: See Under \$5,000 category
		Supervisor	See above	See above	Int./Ext.: Required
					Ext. w/Interim: Required
Clearance Required			Yes, but only in the areas of rehab. Use DHS form 8552.	Yes. Use DHS form 8552. Certified Risk Assessor or Project Monitor on all clearances.	

Attachment I

**COUNTY OF LASSEN'S
CERTIFICATION OF OCCUPANCY**

I/We _____ declare as follows:
(Please Print Occupant's Name(s))

That I/we am/are currently occupying as my/our principal place of residence the real property commonly known as:

(Address)

(City, State, Zip Code)

Daytime Phone Number: _____

Certification of Occupancy executed on _____, 20__, at _____, CA
(Date) (City)

I/we declare under penalty of perjury that the foregoing is true and correct.

Signature(s) of all occupants:

Occupant: _____

Occupant: _____

Occupant: _____

Occupant: _____

PLEASE SUBMIT THE FOLLOWING ALONG WITH THIS CERTIFICATION OF OCCUPANCY:

- Proof of occupancy in the form of a copy of a **current utility bill**;
- Verification of current **required insurance** policies.