



Town of Paradise

Town Council Meeting Agenda

6:00 P.M. – October 10, 2017

Date/Time: 2nd Tuesday of each month at 6:00 p.m.
Location: Town Hall Council Chamber, 5555 Skyway, Paradise, CA

Mayor, Scott Lotter
Vice Mayor, Jody Jones
Council Member, Greg Bolin
Council Member, Melissa Schuster
Council Member, Mike Zuccolillo

Town Manager, Lauren Gill
Town Attorney, Dwight L. Moore
Town Clerk, Dina Volenski
Community Development Director, Craig Baker
Finance Director/Town Treasurer, Gina Will
Public Works Director/Town Engineer, Marc Mattox
Division Chief, CAL FIRE/Paradise Fire, David Hawks
Chief of Police, Gabriela Tazzari-Dineen

Meeting Procedures

- I. The Mayor is the Presiding Chair and is responsible for maintaining an orderly meeting. The Mayor calls the meeting to order and introduces each item on the agenda.
- II. The Town staff then provides a report to Council and answers questions from the Council.
- III. Citizens are encouraged to participate in the meeting process and are provided several opportunities to address Council. Any speaker addressing the Council is limited to three minutes per speaker - fifteen minutes per agenda item
 - A. If you wish to address the Council regarding a specific agenda item, please complete a "Request to Address Council" card and give it to the Town Clerk prior to the beginning of the meeting. This process is voluntary and allows for citizens to be called to the speaker podium in alphabetical order. Comments and questions from the public must be directed to the Presiding Chair and Town Council Members (please do not address staff.) Town staff is available to address citizen concerns Monday through Thursday at Town Hall between the hours of 8am and 5pm.
 - B. If you wish to address Council regarding an item not on the agenda, you may do so under Item 4, "Public Communication." Again, please fill out a card and give it to the Town Clerk before the meeting. State Law prohibits Council action on items not listed on a public agenda.

In compliance with the Americans with Disabilities Act (ADA) Compliance, persons who need special accommodations to participate in the Town Council meeting may contact the Town Clerk at least three business days prior to the date of the meeting to provide time for any such accommodation.

1. OPENING

- 1a. Call to Order
- 1b. Pledge of Allegiance to the Flag of the United States of America
- 1c. Invocation
- 1d. Roll Call

- 1e. p5 Proclamation - Domestic Violence Awareness Month - Catalyst Domestic Violence
- 1f. Presentation - Arlan Hudson Make A Difference Day - October 27 & 28
- 1g. Presentation - Fire on the Ridge - Division Chief David Hawks

2. CONSENT CALENDAR

One roll call vote is taken for all items. Consent items are considered to be routine business that does not call for discussion.

- 2a. p6 Approve Minutes of the September 12, 2017 Regular Town Council Meeting.
- 2b. p13 Approve September 2017 Cash Disbursements in the amount of \$1,769,563.76.
- 2c. p20 Adopt Resolution 17-41, A Resolution of the Town Council of the Town of Paradise accepting Contract No. 15-01, Pearson Rd SR2S Connectivity Project, performed by Franklin Construction of Chico, CA.
- 2d. p23 Adopt Resolution 17-42, A Resolution of the Town Council of the Town of Paradise accepting Contract No. 15-02, Maxwell Dr SR2S Project, performed by Knife River Construction of Chico, CA.
- 2e. p26 Review and file the 4th Quarter Investment Report for the Fiscal Year Ended June 30, 2017.
- 2f. p31 Adopt Resolution No. 17-43, A Resolution of the Town Council of the Town of Paradise accepting Contract No. 17-08, PD Roof Replacement Project, performed by Powell Roofing of Chico, CA.
- 2g. p34 Adopt Resolution No. 17 - 44 "A Resolution of the Town Council of the Town of Paradise Amending the HOME Owner-Occupied Housing Rehabilitation Program Guidelines Previously Adopted by Resolution No. 15-49, the HOME First-Time Homebuyer Program Guidelines Previously Adopted by Resolution No. 09-21, and the HOME Tenant-Based Rental Assistance Program Guidelines Previously Adopted by Resolution No. 16-25".
- 2h. p177 Adopt Resolution 17-45, a Resolution of the Town Council of the Town of Paradise accepting Contract No. 17-11, PD Window Replacement Project, performed by The Screen and Window Shop of Paradise, CA.
- 2i. p179 Consider authorizing the Town Manager to sign a form of attestation allowing PG&E to share information for a feasibility study conducted by the County on Community Choice Aggregation.

3. ITEMS REMOVED FROM CONSENT CALENDAR

4. PUBLIC COMMUNICATION

For matters that are not on the Council business agenda, speakers are allowed three (3) minutes to address the Council. The Town Council is prohibited from taking action on matters that are not listed on the public agenda. The Council may briefly respond for clarification and may refer the matter to the Town staff.

5. PUBLIC HEARINGS

For items that require a published legal notice and/or a mailed notice.

Public Hearing Procedure:

- A. Staff Report
- B. Mayor opens the hearing for public comment in the following order:
 - i. Project proponents (in favor of proposal)
 - ii. Project opponents (against proposal)
 - iii. Rebuttals – if requested
- C. Mayor closes the hearing
- D. Council discussion and vote

- 5a. p182
- 1. Conduct a public hearing relating to consider vacating a “1-Foot No Access Strip” located at the end of the legal boundary of Apple View Way pursuant to the Public Streets, Highways and Service Easements Vacation Law, Part 3 of Division 9 of the Streets and Highways Code of the State of California, commencing with Section 8300; AND,
 - 2. Consider adopting Resolution 17- , a Resolution of the Town Council of the Town of Paradise abandoning and vacating a 1 foot no access strip pursuant to the public streets, and service easements vacation law, part 3 of division 9, of the streets and highways code of the state of California, commencing with section 8300; OR,
 - 3. Concur with staff recommendation to deny Abandonment Application #EN17-00055 affecting APN 050-430-014, 15. (ROLL CALL VOTE)

6. COUNCIL CONSIDERATION

Action items are presented by staff and the vote of each Council Member must be announced. A roll call vote is taken for each item on the action calendar. Citizens are allowed three (3) minutes to comment on agenda items.

- 6a. p191
- 1. Consider authorizing the Town Manager to execute a Master Equity Lease Agreement with Enterprise Fleet Management, Inc., upon approval of the Town Attorney; and
 - 2. Approving Resolution No. 17- , A Resolution of the Town Council of the Town of Paradise declaring certain vehicles and equipment to be surplus property and authorizing sale of them; and

3. Approving a \$4,455 budget appropriation for the Gas Tax/Street Maintenance Fund. (ROLL CALL VOTE)

6b. p206 1. Consider awarding Contract 17-11, to Dude Solutions in the amount of their proposal of \$12,334.17 for the Town of Paradise Facilities Condition Assessment and Capital Forecast, contingent upon approval of an agreement by the Town Attorney; and, 2. Authorizing the Town Manager to sign the agreement. (ROLL CALL VOTE)

6c. p220 Consider adopting Resolution 17-__, a Resolution of the Town Council of the Town of Paradise amending the FY 17-18 Capital Improvement Program Budget to incorporate estimated new SB-1 revenues dedicated to major projects and ongoing maintenance. (ROLL CALL VOTE)

7. COUNCIL INITIATED ITEMS AND REPORTS

- 7a. Council initiated agenda items
- 7b. Council reports on committee representation
- 7c. Future Agenda Items

8. STAFF COMMUNICATION

- 8a. Town Manager Report
 - Update on Crestview Drive Property
 - Community Development Director

9. CLOSED SESSION

9a. Pursuant to Government Code section 54957, the Town Council will hold a closed session discussion relating to a performance evaluation of the Town Manager.

10. ADJOURNMENT

STATE OF CALIFORNIA) COUNTY OF BUTTE)	SS.
I declare under penalty of perjury that I am employed by the Town of Paradise in the Town Clerk's Department and that I posted this Agenda on the bulletin Board both inside and outside of Town Hall on the following date:	

TOWN/ASSISTANT TOWN CLERK SIGNATURE	

Town of Paradise, California

PROCLAMATION

WHEREAS, although progress has been made toward breaking the cycle of violence and providing support to victims and their families, much work remains to be done; and

WHEREAS, domestic violence shelters and services, law enforcement officials, health care providers, court systems and legal aid providers, tribal organizations, and others are all an integral part of the effort to end domestic violence; and

WHEREAS domestic violence affects adults and children of all racial, ethnic, cultural, social, religious, and economic groups in the United States and here in Butte County; and

WHEREAS, the crime of domestic violence violates an individual's privacy, dignity, security, and humanity, through the systematic use of physical, emotional, sexual, verbal, and economic control and/or abuse; and

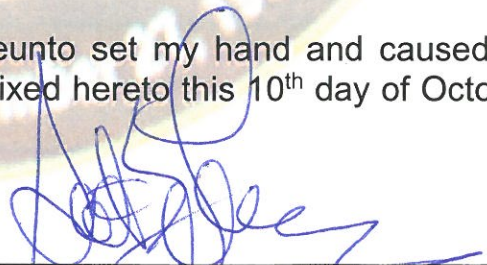
WHEREAS, domestic violence is the third leading cause of homelessness among families; and

WHEREAS, the prevalence of domestic violence may be diminished by educating and empowering the community to develop and maintain healthy relationships.

NOW, THEREFORE, I, Scott Lotter, Mayor of the Town of Paradise, in recognition of the important work done by domestic violence programs, do hereby proclaim the month of October 2017 as Domestic Violence Awareness Month and urge all citizens to participate in the scheduled activities and programs sponsored by Catalyst Domestic Violence Services to work towards building healthy relationships and eliminating intimate partner violence.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the official seal of the Town of Paradise to be affixed hereto this 10th day of October, 2017.





Scott Lotter, Mayor

**MINUTES
PARADISE TOWN COUNCIL
REGULAR MEETING – 6:00 PM – September 12, 2017**

1. OPENING

The Regular Meeting of the Paradise Town Council was called to order by Mayor Lotter at 6:00 p.m. in the Town Council Chambers at 5555 Skyway, Paradise, California. An invocation was offered by Council Member Bolin.

COUNCIL MEMBERS PRESENT: Greg Bolin, Jody Jones, Melissa Schuster, Michael Zuccolillo and Scott Lotter, Mayor.

COUNCIL MEMBERS ABSENT: None

STAFF PRESENT: Town Manager Lauren Gill, Town Attorney Dwight Moore, Town Clerk Dina Volenski, Administrative Services Director/Town Treasurer Gina Will, Public Works Director/Town Engineer Marc Mattox, Administrative Analyst Colette Curtis, Police Chief Gabriela Tazzari-Dineen, Division Chief, CAL FIRE/Paradise, David Hawks and Business and Housing Services Supervisor Kate Anderson.

- 1a. The recognition of a special donation from Mayor Lotter was presented by Police Chief Tazzari-Dineen and Fire Chief Hawks with a special appearance of Officer Wilkey and K-9 Officer Cash.
- 1b. The presentation regarding Explore Butte County was presented by Dori Franklin.
- 1c. The presentation updating the Town Council on the Yellowstone Kelly Project and announcing the Heritage Trail Rededication Ceremony to be held on September 23, 2017 was given by Bill Hartley.

2. CONSENT CALENDAR

MOTION by Bolin, seconded by Jones, approved all consent calendar items 2a-2k as presented. Roll call vote was unanimous.

- 2a. Approved Minutes of the August 8, 2017 Regular Town Council Meeting.
- 2b. Approved August 2017 Cash Disbursements in the amount of \$2,178,161.03. (310-10-032)
- 2c. Adopted Resolution No. 17-33, A Resolution of the Town Council of the Town of Paradise Accepting Contract No. 14-02, Cypress Curve Realignment Project, performed by Knife River Construction of Chico, CA. (510-20-151, 950-40-021, 510-20-084)
- 2d. Adopted Resolution 17-34, A Resolution of the Town Council of the Town of Paradise authorizing and approving the borrowing of funds for Fiscal Year 2017-2018, the issuance and sale of a 2017-2018 tax and revenue

anticipation note therefor, and approving certain other actions related thereto. (350-40-019)

- 2e. Approved Resolution No. 17-35, A Resolution of the Town Council of the Town of Paradise authorizing the execution and delivery of a lease with option to purchase, and authorizing certain actions in connection therewith. (The Lease/Purchase Items includes 3 Ford Explorer 4-Door Police Patrol Vehicles and Equipment costing approximately \$150,000, that have already been approved with the 2017/18 Operating and Capital Budget)(380-45-056, 380-40-59)
- 2f. Adopted Resolution No. 17-36, A Resolution of the Town Council of the Town of Paradise Accepting Contract No. 17-05, Measure C Bille Rd Overlay, performed by Knife River Construction of Chico, CA. (950-40-037, 510-20-161)
- 2g. Adopted Resolution No. 17-37, A Resolution of the Town Council of the Town of Paradise Authorizing Destruction of Certain Town Records Maintained in the Clerk Department Pursuant to Government Code Section 34090. (160-20-016, 160-20-017)
- 2h. Awarded Contract for the Police Department Carpet Replacement to Dick's Floor Covering in the amount of \$16,979.36, and authorized the Town Manager to execute an agreement with Dick's floor Covering relating to the carpet replacement and approved contingency expenditure not to exceed 10%. (280-60-005)
- 2i. Authorized the Town Manager to award the Installation of Police Patrol Vehicle Emergency Equipment and Mobile Data Computer (MDC) Bid to Precision Wireless Service, 791 Blevins Street, Lakeport, CA 95453. (The lease payment will be funded by Measure C funds, and has already been included in the 2017/18 budget.) (480-35-002, 395-70-017, 380-45-056)
- 2j. Accepted the donation of four (4) "Air for Paws" animal resuscitators and two (2) Trauma Kits from Scott Lotter, Paradise Cinemas & Mayor of the Town of Paradise, to the Town of Paradise Fire Department in the amount of \$350, and the Paradise Police Department in the amount of \$1,000. (395-50-13)
- 2k. Accepted the donation of \$200.00 from Cathy Hales to be used for the animals at the Animal Shelter. (395-50-13)

3. ITEMS REMOVED FROM CONSENT CALENDAR - None

4. PUBLIC COMMUNICATION

- 1. Ward Habriel – has informed individuals about TOP Access, had positive interactions with the Police Department and invited the Town Council to the Senior Center fundraiser which is a Murder Mystery Dinner to be held on October 22, 2017.

2. Suzi Muller – is a new resident to Paradise, loves the community, lives on West Wagstaff, invited Council to drive on West Wagstaff and requested Council repave the road because it is a hazard to walkers and bikers and should be a nice entrance to Bille Park.

5. PUBLIC HEARINGS

For items that require a published legal notice and/or a mailed notice.

Public Hearing Procedure:

A. Staff Report

B. Mayor opens the hearing for public comment in the following order:

i. Project proponents (in favor of proposal)

ii. Project opponents (against proposal)

iii. Rebuttals – if requested

C. Mayor closes the hearing

D. Council discussion and vote

5a. Mayor Lotter announced that the Town Council would conduct the duly noticed and scheduled public hearing to receive comment on the Consolidated Annual Performance and Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) Program. Upon conclusion of the public hearing the Town Council will consider authorizing the Town Manager to submit the CAPER to the Department of Housing and Urban Development. The CAPER outlines CDBG accomplishments and expenditures, as well as provides an evaluation of the Town's progress in meeting its community development goals and objectives. (710-10-090)

The public hearing was opened at: 6:40 p.m.

There were no public comments.

The public hearing was closed at: 6:41 p.m.

Motion by Jones, seconded by Schuster, authorized the Town Manager to submit the CAPER to the Department of Housing and Urban Development. Roll call vote was unanimous.

5b. Mayor Lotter announced that the Town Council would conduct the duly noticed and scheduled public hearing establishing an Updated and Revised Master Schedule of Fees. Upon conclusion of the public hearing the Town Council will consider adopting a Resolution Establishing a New Master Schedule of Fees for Town Services. (Repealing the Fee Schedule Previously adopted by Resolution No. 17-27) (395-20-019)

Administrative Services Director/Town Treasurer Gina Will provided an update on the Master Schedule of Fees. The purpose of the revision is to reconsider the implementation of the credit card convenience fee, to reclassify five commercial fees to the valuation table and to add back an onsite review fee that was inadvertently left off the last fee schedule.

The public hearing was opened at: 6:44 p.m.

There were no public comments.

The public hearing was closed at: 6:45 p.m.

Motion by Bolin, seconded by Zuccolillo, the Town Council adopted Resolution No. 17-38, A Resolution of the Town Council of the Town of Paradise, Establishing a New Master Schedule of Fees for Town Services. (Repealing the Fee Schedule Previously adopted by Resolution No. 17-27) (The Master Schedule of Fees will go into effect November 11, 2017) Roll call vote was unanimous.

6. COUNCIL CONSIDERATION

6a. Following a report from Administrative Analyst Colette Curtis regarding the progress on the business license/registration program Mayor Lotter opened the matter for public input.

1. Ward Habriel inquired as to which businesses would be excluded because he belongs to the Paradise Garden Club, a 501(c)3, and did not see any reason for the club to need a license or any other non-profit organizations.

Council stated that the issue of non-profits purchasing business licenses/registration had been part of the conversation and was being explored. They may need to register so that they are included in the database, but not be charged a fee.

MOTION by Jones, seconded by Schuster, approved the following items:

1. Received an update on the progress of the business license committee regarding the Business License program, which will focus on low cost, public safety and benefit to business owners.
2. Directed staff to hold one or more public workshops on the Business License program
3. Directed staff to draft a Business License Ordinance for discussion at a future Council meeting. All Council Members present agreed unanimously.

6b. Administrative Services Director/Town Treasurer Gina Will provided an update on the Operating and Capital Budgets for the 2016/17 and 2017/18 years, recommended budget adjustments, updating and amending the Town of Paradise Capital Improvement Plan for 2017/18 and revising the personnel structure and approving/revising job descriptions for the 2017/18 fiscal year.

MOTION by Bolin, seconded by Jones, approved the following items:

1. Reviewed and filed the financial information provided by staff concerning the 2016/17 and 2017/18 operating and capital budgets; and,
 2. Approved staff recommended budget adjustments; and,
 3. Adopted Resolution 17-39, A Resolution of the Town Council of the Town of Paradise updating and amending the Town of Paradise Capital Improvement Plan for the 2017-2018 fiscal year; and, (950-40-034, 340-40-014)
 4. Adopted Resolution 17-40, A Resolution of the Town Council of the Town of Paradise, California, approving job descriptions and revising the personnel structure for certain Town of Paradise positions for the fiscal year 2017-2018. Roll call vote was unanimous. (610-10-017, 610-10-015)
- 6c. **MOTION by Zuccolillo, seconded by Schuster**, authorized the Mayor and Town Manager to enter into an agreement for banking services with US Bank for five years with an optional extension of two years. Roll call vote was unanimous. (510-20-176)

7. COUNCIL INITIATED ITEMS AND REPORTS

- a. Council initiated agenda items – None
- b. Council reports on committee representation

Council Member Schuster attended the following meetings/events: Butte County Mosquito and Vector Control (BCMVC), League of California Cities Conference, Ponderosa back to school barbeque, Blue Zone Project, Focus Paradise, LAFCo on behalf of BCMVC, Butte County Special Districts Association Luncheon, Paradise Citizens Alliance, Shasta Cascade Wonderland Association and Safe Routes 2 School (SR2S) Ribbon Cutting.

Council Member Jones announced that she and Town Manager Gill will be presenting to the Chico City Council regarding the Sewer Feasibility Study and requesting a letter of support to start searching for funding; showed a video from BCAG regarding the fatalities on Highway 70 and shared where the proposed funding is coming from to finish the widening of the road. The video will be posted on the Town's Facebook page.

Council Member Bolin attended the SR2S Ribbon Cutting and the Business License meetings.

Mayor Lotter attended the LAFCo meeting, SR2S Ribbon Cutting/Dedication, announced that the Police Chief recruitment is moving forward and that he will be attending the League of California Cities conference beginning tomorrow.

- c. Future Agenda Items – None

8. STAFF COMMUNICATION

Town Manager Report

Manager Gill updated the Council on the progress of the home at 5983 Crestview Drive. The property has had Code Enforcement issues since 2010, primarily fire hazards and structures that have been removed. The property owner is in an out of state assisted living facility. A certified letter has been sent requesting right of entry. There have been three (3) citations issued this year at the direction of the Fire prevention department. There are options moving forward: Seek Abatement of Fire Hazards (continue to fine), continue to try and contact property owner, file a lawsuit against the property owner to establish a receivership or another nuisance abatement issue would include the Town paying to have the property cleaned up and then putting a lien on the property for the cost of the expenses.

Council asked if there are other ways other than A 'Right of Entry' order to access the property so that weeds can be mowed.

Town Attorney Dwight Moore stated there are only a limited number of ways in order to take care of the problem, one would be the Nuisance Abatement process – hold a hearing, order property owner to correct problem, if not taken care of within 30 days a judge could approve entry of property.

1. Ron Serrano – stated that he has been dealing with this property since 2012, this is not a new issue, everything has been discussed and dealt with and the problem has come back.
2. Wanda Hoeffner – neighbor of 5983 Crestview, stated that the scotch broom is eight feet tall and needs to be killed so that it does not come back.
3. Ward Habriel – remembers the problem in 2012 and at that time offered to assist; he has again offered to try and make the property a project for the "Make A Difference Day" in October.

Town Manager Gill will continue to try and contact the property owner to find some resolution to the problem and will bring back a report to Council at the October meeting.

- Community Development Director Report

Town Manager Gill provided the Community Development update on the following projects: Skyway/Black Olive Center (Safeway), Starbucks, Westside Pizza, Lynn's Optimo, Mama Celeste Gastropub and Pizzeria, Carousel Motel and Ikkyu Japanese Restaurant. Council informed that Berkowitz Gym is going into the old Salvation Army and Paradise Coffee Company is going in on Clark Road.

9. CLOSED SESSION

At 8:00 p.m. Mayor Lotter announced that the Town Council would adjourn to hold the following closed sessions:

- 9a. Pursuant to Government Code section 54956.9(d)(1), Town Council will hold a closed session with the Town Attorney Dwight L. Moore and Town Manager Lauren M. Gill relating to the following pending litigation:

Town of Paradise vs. Wendy Jane Baker, et al. - County of Butte, Superior Court Case No. 16CV02070.

Council Member Bolin recused himself from item 9a due to a potential conflict of interest.

At 8:14 p.m. Town Attorney Moore announced that the Town Council took action on the Lawsuit of Town of Paradise vs. Wendy Jane Baker, et al. and authorized approval to have the Town Manager execute the Subordination Agreement relating to the loan of \$31,458.20 concerning the property, financing, raising of the structures and borrowing the money to do so. Approved by all Town Council present with Bolin absent and not voting.

Council Member Bolin returned to the closed session at 8:16 p.m.

- 9b. Pursuant to Government Code section 54957, the Town Council will hold a closed session discussion relating to a performance evaluation of the Town Manager.

At 9:14 p.m. Mayor Lotter reconvened the Town Council meeting and reported that no action was taken.

10. ADJOURNMENT

Mayor Lotter adjourned the council meeting at 9:14 p.m.

Date Approved:

By: _____
Scott Lotter, Mayor

Attest:

Dina Volenski, CMC, Town Clerk

TOWN OF PARADISE

CASH DISBURSEMENTS REPORT

FOR THE PERIOD OF
SEPTEMBER 1, 2017 - SEPTEMBER 30, 2017

September 1, 2017 - September 30, 2017

Check Date	Pay Period End	DESCRIPTION	AMOUNT
09/08/17	09/03/17	Net Payroll - Direct Deposits & Checks	\$119,508.10
09/22/17	09/17/17	Net Payroll - Direct Deposits & Checks	\$125,135.57
TOTAL NET WAGES PAYROLL			\$244,643.67

Accounts Payable

PAYROLL VENDORS: TAXES, PERS, DUES, INSURANCE, ETC.	\$261,553.15
OPERATIONS VENDORS: SUPPLIES, CONTRACTS, UTILITIES, ETC.	\$1,263,366.94
TOTAL CASH DISBURSEMENTS - ACCOUNTS PAYABLE (Detail attached)	<u>\$1,524,920.09</u>
GRAND TOTAL CASH DISBURSEMENTS	<u><u>\$1,769,563.76</u></u>

APPROVED BY: _____
LAUREN GILL, TOWN MANAGER

APPROVED BY: _____
GINA S. WILL, ADMINISTRATIVE SERVICES DIRECTOR/TOWN TREASURER

TOWN OF PARADISE
Payment Register

From Payment Date: 9/1/2017 - To Payment Date: 9/30/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - US Bank TOP AP Checking									
<u>Check</u>									
67614	09/01/2017	Open			Accounts Payable	DELONG, SHELLEY	\$213.63		
67615	09/01/2017	Open			Accounts Payable	EVERBANK COMMERCIAL FINANCE, INC	\$906.47		
67616	09/01/2017	Open			Accounts Payable	GALLAGHER, CRAIG	\$458.71		
67617	09/01/2017	Open			Accounts Payable	HONEYWELL, JANICE, J.	\$955.41		
67618	09/01/2017	Open			Accounts Payable	JEFFORDS, ROBERT, D.	\$478.07		
67619	09/01/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$320,052.20		
67620	09/01/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$10,505.10		
67621	09/01/2017	Open			Accounts Payable	MOORE, DWIGHT, L.	\$14,076.00		
67622	09/01/2017	Open			Accounts Payable	Santander Leasing LLC	\$35,915.70		
67623	09/01/2017	Open			Accounts Payable	SBA Monarch Towers III LLC	\$131.59		
67624	09/01/2017	Open			Accounts Payable	WESTAMERICA BANK	\$7,813.91		
67625	09/05/2017	Open			Accounts Payable	Aflac	\$189.92		
67626	09/05/2017	Open			Accounts Payable	BLOOD SOURCE	\$57.00		
67627	09/05/2017	Open			Accounts Payable	Met Life	\$8,578.78		
67628	09/05/2017	Open			Accounts Payable	OPERATING ENGINEERS	\$893.00		
67629	09/05/2017	Open			Accounts Payable	PARADISE POLICE OFFICERS ASSOCIATION	\$2,008.98		
67630	09/05/2017	Open			Accounts Payable	SUN LIFE INSURANCE	\$4,443.54		
67631	09/05/2017	Open			Accounts Payable	SUPERIOR VISION SVC NGLIC	\$662.05		
67632	09/05/2017	Open			Accounts Payable	TOP CONFIDENTIAL MID MGMT ASSOCIATION	\$100.00		
67633	09/08/2017	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$50.00		
67634	09/08/2017	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
67635	09/14/2017	Open			Accounts Payable	ACE RENTALS	\$52.99		
67636	09/14/2017	Open			Accounts Payable	ARAMARK UNIFORM SERV. INC.	\$53.78		
67637	09/14/2017	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$108.66		
67638	09/14/2017	Open			Accounts Payable	AT&T/CALNET3 - REPEATER LINES	\$295.64		
67639	09/14/2017	Open			Accounts Payable	AT&T/CALNET3 - COMMUNITY PARK	\$20.96		
67640	09/14/2017	Open			Accounts Payable	AT&T/CALNET3 - Summary	\$2,793.20		
67641	09/14/2017	Open			Accounts Payable	AT&T/CALNET3 - TH/FDPD FIBER LINES	\$1,110.62		
67642	09/14/2017	Open			Accounts Payable	Ayala, Manuel	\$63.75		
67643	09/14/2017	Open			Accounts Payable	Bennett Engineering Services Inc	\$5,398.94		
67644	09/14/2017	Open			Accounts Payable	BESSEGHINI, MARTHA	\$12.75		
67645	09/14/2017	Open			Accounts Payable	Big O Tires	\$195.95		
67646	09/14/2017	Open			Accounts Payable	Biometrics4ALL, Inc	\$20.25		
67647	09/14/2017	Open			Accounts Payable	BURTON'S FIRE, INC.	\$21.13		
67648	09/14/2017	Open			Accounts Payable	BUTTE CO AIR QUALITY MANAGEMENT DISTRICT	\$164.75		
67649	09/14/2017	Open			Accounts Payable	BUTTE REGIONAL TRANSIT	\$3,340.50		
67650	09/14/2017	Open			Accounts Payable	COMCAST CABLE	\$73.01		
67651	09/14/2017	Open			Accounts Payable	CRAIG DREBERTS AUTOMOTIVE	\$1,076.98		
67652	09/14/2017	Open			Accounts Payable	DON'S SAW & MOWER	\$90.38		
67653	09/14/2017	Open			Accounts Payable	Eagle Security Systems	\$193.50		
67654	09/14/2017	Open			Accounts Payable	ENLOE MEDICAL CENTER, INC.	\$1,167.00		
67655	09/14/2017	Open			Accounts Payable	Entersect	\$84.95		

TOWN OF PARADISE

Payment Register

From Payment Date: 9/1/2017 - To Payment Date: 9/30/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
67656	09/14/2017	Open			Accounts Payable	FRANKLIN CONSTRUCTION COMPANY	\$142,839.15		
67657	09/14/2017	Open			Accounts Payable	Gibson, April	\$12.75		
67658	09/14/2017	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$13,486.67		
67659	09/14/2017	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$74.56		
67660	09/14/2017	Open			Accounts Payable	INTERNATIONAL INSTITUTE OF MUNICIPAL CLERKS	\$200.00		
67661	09/14/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$1,061.86		
67662	09/14/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$368,310.68		
67663	09/14/2017	Open			Accounts Payable	KNIFE RIVER CONSTRUCTION	\$568.09		
67664	09/14/2017	Open			Accounts Payable	LIFE ASSIST INC	\$1,341.98		
67665	09/14/2017	Open			Accounts Payable	LOCATE PLUS CORPORATION	\$67.50		
67666	09/14/2017	Open			Accounts Payable	Mayhugh, Tyler	\$63.75		
67667	09/14/2017	Open			Accounts Payable	MCGEE, MEGHAN A.	\$12.75		
67668	09/14/2017	Open			Accounts Payable	MENDON'S NURSERY	\$118.53		
67669	09/14/2017	Open			Accounts Payable	Meyers Police Canine Training	\$600.00		
67670	09/14/2017	Open			Accounts Payable	Moskowitz, Danielle	\$12.75		
67671	09/14/2017	Open			Accounts Payable	Mt Shasta Spring Water Co., Inc	\$134.26		
67672	09/14/2017	Open			Accounts Payable	MUNICIPAL CODE CORP	\$500.00		
67673	09/14/2017	Open			Accounts Payable	NORTHGATE PETROLEUM CO	\$5,152.48		
67674	09/14/2017	Open			Accounts Payable	NORTHSTAR	\$2,998.96		
67675	09/14/2017	Open			Accounts Payable	NORTHSTATE AGGREGATE, INC.	\$479.49		
67676	09/14/2017	Open			Accounts Payable	O'REILLY AUTO PARTS	\$318.32		
67677	09/14/2017	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$460.57		
67678	09/14/2017	Open			Accounts Payable	PACIFIC GAS & ELECTRIC	\$13,047.98		
67679	09/14/2017	Open			Accounts Payable	PARADISE GARDEN CENTER	\$163.79		
67680	09/14/2017	Open			Accounts Payable	PARADISE POST/NORTH VALLEY COMMTY MEDIA	\$184.79		
67681	09/14/2017	Open			Accounts Payable	PBM SUPPLY & MFG INC	\$30.03		
67682	09/14/2017	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$880.00		
67683	09/14/2017	Open			Accounts Payable	Price, Zachary	\$63.75		
67684	09/14/2017	Open			Accounts Payable	R B SPENCER INC	\$897.86		
67685	09/14/2017	Open			Accounts Payable	Ramlow, Tanner	\$63.75		
67686	09/14/2017	Open			Accounts Payable	Rancho Engineering, Inc	\$3,500.00		
67687	09/14/2017	Open			Accounts Payable	REINBOLD, ERIC	\$63.75		
67688	09/14/2017	Open			Accounts Payable	Riebes Auto Parts	\$780.37		
67689	09/14/2017	Open			Accounts Payable	STATE OF CALIF-DEPT OF HOUSING & COM. DEVEL.	\$25.00		
67690	09/14/2017	Open			Accounts Payable	StreetSaver	\$7,580.00		
67691	09/14/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$167.58		
67692	09/14/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$70.37		
67693	09/14/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - POLICE DEPT.	\$10.75		
67694	09/14/2017	Open			Accounts Payable	TYLER TECHNOLOGIES, INC.	\$42,669.00		
67695	09/14/2017	Open			Accounts Payable	Vang, Chounburi	\$63.75		
67696	09/14/2017	Open			Accounts Payable	VERIZON WIRELESS	\$299.07		
67697	09/14/2017	Open			Accounts Payable	VERIZON WIRELESS	\$115.57		

TOWN OF PARADISE

Payment Register

From Payment Date: 9/1/2017 - To Payment Date: 9/30/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
67698	09/14/2017	Open			Accounts Payable	VERIZON WIRELESS	\$104.70		
67699	09/14/2017	Open			Accounts Payable	Walters, Perry	\$63.75		
67700	09/14/2017	Open			Accounts Payable	WITTMEIER AUTO CENTER	\$416.58		
67701	09/20/2017	Open			Accounts Payable	RECOGNITION PRODUCTS	\$9,521.01		
67702	09/22/2017	Open			Accounts Payable	ICMA 457 - VANTAGEPOINT	\$50.00		
67703	09/22/2017	Open			Accounts Payable	STATE DISBURSEMENT UNIT	\$194.76		
67704	09/27/2017	Open			Accounts Payable	Santander Leasing LLC	\$7,926.51		
67705	09/28/2017	Open			Accounts Payable	ACCESS INFORMATION PROTECTED	\$74.56		
67706	09/28/2017	Open			Accounts Payable	ACI ENTERPRISES, INC.	\$463.32		
67707	09/28/2017	Open			Accounts Payable	AgendaPal Corporation	\$399.00		
67708	09/28/2017	Open			Accounts Payable	ALHAMBRA	\$6.00		
67709	09/28/2017	Open			Accounts Payable	ARAMARK UNIFORM SERV. INC.	\$53.78		
67710	09/28/2017	Open			Accounts Payable	Asbury Environmental Services	\$134.69		
67711	09/28/2017	Open			Accounts Payable	AT&T & CALNET3 - CIRCUIT LINES	\$1,038.94		
67712	09/28/2017	Open			Accounts Payable	AT&T MOBILITY	\$84.80		
67713	09/28/2017	Open			Accounts Payable	Bear Electric Solutions	\$1,425.00		
67714	09/28/2017	Open			Accounts Payable	Big O Tires	\$87.00		
67715	09/28/2017	Open			Accounts Payable	BUTTE CO RECORDER	\$119.00		
67716	09/28/2017	Open			Accounts Payable	CALIFORNIA STATE DEPARTMENT OF JUSTICE	\$808.00		
67717	09/28/2017	Open			Accounts Payable	FEATHER RIVER HOSPITAL	\$440.00		
67718	09/28/2017	Open			Accounts Payable	Goodyear Tire & Rubber Company	\$2,591.68		
67719	09/28/2017	Open			Accounts Payable	GREAT AMERICA LEASING CORP.	\$129.31		
67720	09/28/2017	Open			Accounts Payable	I.M.P.A.C. PAYMENTS IMPAC GOV SVCS/US BANCORP	\$644.81		
67721	09/28/2017	Open			Accounts Payable	INLAND BUSINESS MACHINES	\$618.98		
67722	09/28/2017	Open			Accounts Payable	INTERSTATE OIL COMPANY	\$455.90		
67723	09/28/2017	Open			Accounts Payable	JAMES RIOTTO & ASSOCIATES	\$150.00		
67724	09/28/2017	Open			Accounts Payable	KIS	\$972.00		
67725	09/28/2017	Open			Accounts Payable	KOEFRAH INDUSTRIES	\$500.00		
67726	09/28/2017	Open			Accounts Payable	Legal Photocopy Service	\$941.60		
67727	09/28/2017	Open			Accounts Payable	Michael Baker International, Inc.	\$9,852.13		
67728	09/28/2017	Open			Accounts Payable	MID VALLEY TITLE & ESCROW	\$215.00		
67729	09/28/2017	Open			Accounts Payable	NORTHERN RECYCLING & WASTE SERVICES, INC.	\$18,634.44		
67730	09/28/2017	Open			Accounts Payable	NORTHGATE PETROLEUM CO	\$5,864.15		
67731	09/28/2017	Open			Accounts Payable	O'REILLY AUTO PARTS	\$898.83		
67732	09/28/2017	Open			Accounts Payable	OFFICE DEPOT ACCT#36233169	\$763.78		
67733	09/28/2017	Open			Accounts Payable	PARADISE AUTO BODY	\$5,101.70		
67734	09/28/2017	Open			Accounts Payable	PARADISE GARDEN CENTER	\$64.65		
67735	09/28/2017	Open			Accounts Payable	PARADISE IRRIGATION DIST	\$2,838.06		
67736	09/28/2017	Open			Accounts Payable	PARADISE POST/NORTH VALLEY COMMTY MEDIA	\$265.93		
67737	09/28/2017	Open			Accounts Payable	Paradise Printing	\$328.64		
67738	09/28/2017	Open			Accounts Payable	PEERLESS BUILDING MAINT	\$560.00		
67739	09/28/2017	Open			Accounts Payable	PETERS RUSH HABIB & MCKENNA	\$520.00		
67740	09/28/2017	Open			Accounts Payable	Ridge Construction Co	\$4,150.00		
67741	09/28/2017	Open			Accounts Payable	Ridge Construction Co	\$3,800.00		
67742	09/28/2017	Open			Accounts Payable	Ridge Construction Co	\$7,950.00		

TOWN OF PARADISE

Payment Register

From Payment Date: 9/1/2017 - To Payment Date: 9/30/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
67743	09/28/2017	Open			Accounts Payable	Ridge Construction Co	\$2,325.00		
67744	09/28/2017	Open			Accounts Payable	Riebes Auto Parts	\$36.77		
67745	09/28/2017	Open			Accounts Payable	SONSRAY MACHINERY LLC	\$99.24		
67746	09/28/2017	Open			Accounts Payable	T and S DVBE Inc.	\$508.31		
67747	09/28/2017	Open			Accounts Payable	TeleCheck Services, Inc.	\$35.00		
67748	09/28/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - ENG. DEPT.	\$351.55		
67749	09/28/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - FIRE DEPT.	\$56.50		
67750	09/28/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - MOTORPOOL	\$14.27		
67751	09/28/2017	Open			Accounts Payable	THOMAS ACE HARDWARE - POLICE DEPT.	\$9.51		
67752	09/28/2017	Open			Accounts Payable	TUCKER PEST CONTROL INC	\$126.00		
67753	09/28/2017	Open			Accounts Payable	VALLEY TOXICOLOGY SERVICE	\$557.00		
67754	09/28/2017	Open			Accounts Payable	VERIZON WIRELESS	\$1,257.44		
67755	09/28/2017	Open			Accounts Payable	VERIZON WIRELESS	\$345.17		
67756	09/28/2017	Open			Accounts Payable	VERIZON WIRELESS	\$345.27		
67757	09/28/2017	Open			Accounts Payable	WAYNE MURPHY	\$8,966.00		
67758	09/28/2017	Open			Accounts Payable	WAYNE MURPHY	\$9,660.00		
67759	09/28/2017	Open			Accounts Payable	WAYNE MURPHY	\$6,215.00		
Type Check Totals:							\$1,157,647.79		
Type EFT Totals:							\$367,272.30		
AP - US Bank TOP AP Checking Totals									

Type Check Totals:

EFT

628	09/05/2017	Open			Accounts Payable	CALPERS	\$124,324.79		
629	09/08/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$27,870.99		
630	09/08/2017	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$4,568.95		
631	09/08/2017	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$5,410.71		
632	09/08/2017	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$20,459.44		
633	09/14/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$62,660.45		
634	09/22/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$27,620.69		
635	09/22/2017	Open			Accounts Payable	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$5,579.90		
636	09/22/2017	Open			Accounts Payable	ING LIFE INS & ANNUITY COMPANY	\$4,449.07		
637	09/22/2017	Open			Accounts Payable	INTERNAL REVENUE SERVICE	\$23,845.82		
638	09/27/2017	Open			Accounts Payable	CALPERS - RETIREMENT	\$60,481.49		

Type EFT Totals:

AP - US Bank TOP AP Checking Totals

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	146	\$1,157,647.79	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Stopped	0	\$0.00	\$0.00
	Total	146	\$1,157,647.79	\$0.00

EFTs	Status	Count	Transaction Amount	Reconciled Amount
	Open	11	\$367,272.30	\$0.00
	Reconciled	0	\$0.00	\$0.00
	Voided	0	\$0.00	\$0.00
	Total	11	\$367,272.30	\$0.00

Payment Register

From Payment Date: 9/1/2017 - To Payment Date: 9/30/2017

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	157	\$1,524,920.09	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	157	\$1,524,920.09	\$0.00	
Grand Totals:									
				Checks	Status	Count	Transaction Amount	Reconciled Amount	
					Open	146	\$1,157,647.79	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	146	\$1,157,647.79	\$0.00	
				EFTs	Status	Count	Transaction Amount	Reconciled Amount	
					Open	11	\$367,272.30	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Total	11	\$367,272.30	\$0.00	
				All	Status	Count	Transaction Amount	Reconciled Amount	
					Open	157	\$1,524,920.09	\$0.00	
					Reconciled	0	\$0.00	\$0.00	
					Voided	0	\$0.00	\$0.00	
					Stopped	0	\$0.00	\$0.00	
					Total	157	\$1,524,920.09	\$0.00	



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 2(c)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: Pearson Rd SR2S Connectivity Project Acceptance

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting Contract No. 15-01, Pearson Rd SR2S Connectivity Project, performed by Franklin Construction of Chico, CA.

Background:

On September 26, 2013, Governor Brown signed legislation creating the Active Transportation Program (ATP) in the Department of Transportation (Senate Bill 99, Chapter 359 and Assembly Bill 101, Chapter 354). The ATP consolidates existing federal and state transportation programs, including the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SR2S), into a single program with a focus to make California a national leader in active transportation. The ATP administered by the Division of Local Assistance, Office of Active Transportation and Special Programs. The objective of the ATP is to achieve the following objectives:

- Increase the proportion of biking and walking trips,
- Increase safety for non-motorized users,
- Increase mobility for non-motorized users,
- Advance the efforts of regional agencies to achieve greenhouse gas reduction goals,
- Enhance public health, including the reduction of childhood obesity through the use of projects eligible for Safe Routes to Schools Program funding,
- Ensure disadvantaged communities fully share in program benefits, and
- Provide a broad spectrum of projects to benefit many types of active transportation users.

In late 2014, the Town of Paradise received notification that the Pearson Rd SR2S Connectivity had been awarded \$1,387,000 in state funding to construct sidewalks, curbs and gutters along the south side of Pearson Road between Skyway and Almond Street and along the north and south sides of Pearson Road between Black Olive Drive and Academy Drive.

On August 11, 2015, Paradise Town Council awarded a contract to NorthStar Engineering to perform necessary preliminary engineering work to bring the Pearson Rd SR2S Connectivity Project to construction before the June 30, 2016 funding deadline.

On December 8, 2016, the California Transportation Commission approved a scope change amendment to the grant award to encompass the south side of Pearson Road improvements only. This was a result of unprecedented increases in construction costs related to this type of work. The approval of this scope change request was contingent upon the Town securing other means to deliver the original commitment using non-ATP funds. Staff secured a \$700,000 CMAQ grant through Butte County Association of Governments to construct the north side improvements, as required.

On December 13, 2016, Paradise Town Council awarded contract 15-01.CON to Franklin Construction of Chico, CA in the amount of their bid of \$985,226.00.

Analysis:

Construction began in early May of 2017 as the majority of work was planned to be completed while school was out of session. Construction progress often appeared disjointed due to scheduling conflicts with the volume of construction work in the Butte County area in comparison to the availability of construction crews to complete the work. There were no major issues with the overall construction of the project as all work was completed on August 14, 2017.

Financial Impact:

The awarded contract 15-01.CON to Franklin Construction of Chico, CA was \$985,226.00. With award, Council identified \$68,966.00 in contingency funds bringing the total construction cost to \$1,054,192. The actual construction cost is \$1,009,413.71. Costs for construction engineering, materials testing are still being tabulated. In addition, the non-infrastructure education and outreach program is still underway, meaning full project close-out is not expected until February 2018. 100% of all costs associated with this project are reimbursable to the Caltrans administered Active Transportation Program.

**TOWN OF PARADISE
RESOLUTION NO. 17-__**

**A RESOLUTION OF THE TOWN COUNCIL OF TOWN OF PARADISE
ACCEPTING THE WORK PERFORMED UNDER THE PEARSON RD
SR2S CONNECTIVITY PROJECT (CONTRACT NO. 15-01).**

WHEREAS, the Town of Paradise has heretofore contracted with Franklin Construction for certain work performed under that certain project known as the Pearson Rd SR2S Connectivity Project, being Contract No. 15-01; and

WHEREAS, said work of improvements, as called for by the contract between the Town of Paradise and Franklin Construction, referable to said project was completed on August 14, 2017 to the satisfaction of the Town; and

WHEREAS, there has been posted a bond insuring the work of improvements from a maintenance standpoint for a period of one year from and after completion.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Town Council of the Town of Paradise that it hereby accepts the work performed on those certain improvements, the subject of a contract between the Town of Paradise and Franklin Construction, known and referred to as the Pearson Rd SR2S Connectivity Project.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCOTT LOTTER, MAYOR

ATTEST:

DINA VOLENSKI, TOWN CLERK

APPROVED AS TO FORM:

DWIGHT L. MOORE, TOWN ATTORNEY



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 2(d)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: Maxwell Dr SR2S Project Approval of Plans, Specifications & Estimates and Advertisement for Bids

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting Contract No. 15-02, Maxwell Dr SR2S Project, performed by Knife River Construction of Chico, CA.

Background:

On September 26, 2013, Governor Brown signed legislation creating the Active Transportation Program (ATP) in the Department of Transportation (Senate Bill 99, Chapter 359 and Assembly Bill 101, Chapter 354). The ATP consolidates existing federal and state transportation programs, including the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SR2S), into a single program with a focus to make California a national leader in active transportation. The ATP administered by the Division of Local Assistance, Office of Active Transportation and Special Programs. The objective of the ATP is to achieve the following objectives:

- Increase the proportion of biking and walking trips,
- Increase safety for non-motorized users,
- Increase mobility for non-motorized users,
- Advance the efforts of regional agencies to achieve greenhouse gas reduction goals,
- Enhance public health, including the reduction of childhood obesity through the use of projects eligible for Safe Routes to Schools Program funding,
- Ensure disadvantaged communities fully share in program benefits, and
- Provide a broad spectrum of projects to benefit many types of active transportation users.

On March 20, 2014, Caltrans announced the first Call-for-Projects for the Active Transportation Program. By May 21, 2014 the Town of Paradise had submitted three complete grant applications for funding, including: (1) Pearson Rd SR2S Connectivity Project; (2) Maxwell Dr SR2S Project; and, (3) Downtown Paradise Equal Mobility Project.

On August 20, 2014, the California Transportation Committee announced the adoption of Statewide and Small Urban and Rural components of the program. A total of 772 applications were received during Cycle 1 from local agencies throughout the State. Of which, 265 projects have been funded, totaling approximately \$311 million in federal and state funds. The Town of Paradise was awarded two of three projects submitted, totaling nearly \$2.35 million at 100% state funded.

On August 11, 2015, Paradise Town Council awarded a contract to Rolls Anderson & Rolls to perform necessary preliminary engineering work to bring the Maxwell Dr SR2S Project to construction before the June 30, 2016 funding deadline.

Rolls Anderson & Rolls, in coordination with Town staff, prepared the plans, specifications, and cost estimate for the Maxwell Dr SR2S Project. The proposed project will construct sidewalks and drainage features along the west side of Maxwell Drive in addition to Class II Bicycle Lanes along both sides of Maxwell Drive between Skyway and Elliott Road.

On July 12, 2016, Town Council approved the design, plans and specifications for the Maxwell Dr SR2S Project and authorized advertisements for bid.

On October 11, 2016, Town Council awarded Contract 15-02 to Knife River Construction in the amount of their bid of \$630,041.50. The awarded project included participating items of work (sidewalks, bike lanes and drainage) in addition to non-participating items of work for the road overlay which was identified to be funded by Measure C – a local sales tax initiative to support police, fire, roads and animal control. The use of Measure C funds on the Maxwell Drive project is a perfect example of achieving the best economy of scale by leveraging funds to an already-mobilized construction effort.

Analysis:

Construction of the Maxwell Drive SR2S Project was expected to start the first Monday following the end of the 16/17 school year at Paradise High. However, due to unforeseen delays encountered by utility companies efforts to relocate four utility poles. Construction work did not begin until July 5, 2017. Actual construction efforts by Knife River Construction went very well with only a few minor modifications to the contract documents. Due to the delays on the front-end of the project schedule and scarcity of available crews to pour concrete, all contract work was not completed by the start of the 17/18 school year, as planned. All drainage, sidewalk and road work was complete, however, final striping and markings were yet to be installed. On August 31, 2017, all project work was completed.

Financial Impact:

The total construction cost for the Maxwell Drive SR2S Project was \$735,650.50. Construction cost increases were attributable to strategic decisions made during construction and accounting for unforeseen construction changes. Some of the changes can be summarized as follows:

- Culvert pipe crossing Central Park Drive at Maxwell Drive was removed and upsized following recommendations of Public Works Streets Maintenance identifying it as a chronic flooding issue
- The existing roadway structure degraded during design and construction that a simple overlay of new hot mix asphalt would yield substandard results. Accordingly, an interlayer of woven geotextile fabric was applied to the existing roadway surface to bridge existing cracks and deficiencies, extending the life of the new roadway surface.
- Additional concrete curbs, gutters and sidewalks were removed and replaced to provide better project uniformity.
- The amount of aggregate base required to build the project was severely underestimated by the design team.

A total breakdown of construction costs between funding sources is provided below:

Active Transportation Program =	\$618,578.20
Measure C =	\$100,014.30
Drainage DIF =	\$11,058.00
Paradise Irrigation District Conflicts =	\$6,000.00
Total Cost =	\$735,650.50

**TOWN OF PARADISE
RESOLUTION NO. 17-___**

**RESOLUTION OF THE TOWN COUNCIL OF TOWN OF PARADISE
ACCEPTING THE WORK PERFORMED UNDER THE MAXWELL DR
SR2S PROJECT (CONTRACT NO. 15-02).**

WHEREAS, the Town of Paradise has heretofore contracted with Knife River Construction for certain work performed under that certain project known as the Maxwell Dr SR2S Project, being Contract No. 15-02; and

WHEREAS, said work of improvements, as called for by the contract between the Town of Paradise and Knife River Construction., referable to said project was completed on August 31, 2017 to the satisfaction of the Town; and

WHEREAS, there has been posted a bond insuring the work of improvements from a maintenance standpoint for a period of one year from and after completion.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Town Council of the Town of Paradise that it hereby accepts the work performed on those certain improvements, the subject of a contract between the Town of Paradise and Knife River Construction, known and referred to as the Maxwell Dr SR2S Project.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCOTT LOTTER, MAYOR

ATTEST:

DINA VOLENSKI, TOWN CLERK

APPROVED AS TO FORM:

DWIGHT L. MOORE, TOWN ATTORNEY



**Town of Paradise
Council Agenda Summary
Date: October 10, 2017**

Agenda Item: 2(e)

Originated by: Gina S. Will, Administrative Services Director/Town Treasurer
Reviewed by: Lauren Gill, Town Manager
Subject: Quarterly Investment Report

Council Action Requested:

Review and file the 4th Quarter Investment Report for the Fiscal Year Ended June 30, 2017

Alternatives:

Give alternative direction for investment or reporting.

Background:

Attached is a report on the Town's cash and investments for the quarter ended June 30, 2017.

A US Bank checking account is currently being used for payroll, accounts payable and other operating purposes. Most accounts payable disbursements are drawn through checks, and most payroll disbursements are processed through direct deposit. Deposits are fully collateralized and after reserve requirements, provide an earnings credit rate of 0.22% up to the amount of monthly fees.

The Town uses the State of California managed Local Agency Investment Fund (LAIF) for investment of cash in excess of immediately needed operating capital. With same day liquidity and comparable yields, LAIF is currently the best investment option for the Town. Funds can be transferred electronically through computer authorization between LAIF and the Town checking account. The Town will continue to research other investment options that match LAIF's liquidity and security in order to improve investment yield.

In June of 2011, the Town established an irrevocable trust to begin funding the future obligations associated with retiree health as required by GASB 45. The funds are being managed by Self-Insured Schools of California (SISC) and can only be used for the payment of retiree health benefits.

The Town establishes escrow funds at the start of each new lease. The escrow fund is drawn down to zero through the process of purchasing equipment against the lease. Interest is accrued on any unspent escrow balance. The "other" investment type represents these available escrow funds as well as petty cash balances. As of June 30, 2017, there were no available escrow funds.

Discussion

The \$608,591 decreased investment balance as of June 30, 2017 as compared to June 30, 2016 is primarily a result of two active capital improvement projects (Maxwell Drive and Pearson Road Safe Routes to School) being constructed at the end of the fiscal year. The Town was owed \$555,000 more in grant reimbursements at this time compared to the prior year. General Fund cash balances were \$147,000 more than the prior year even after temporarily removing \$176,000 to fund the purchase of a new fire engine. The reserve funds will be replaced once the old fire engine is sold. The Town is replacing depleted reserves with the goal of reducing and eliminating the need to borrow cash for operations. In 2016/17 the Town needed a \$2.25 million TRAN which was funded October 2016 and repaid in May 2017. This 2017/18 fiscal year the Town will issue a TRAN of \$2.1 million in October 2017.

The GASB 45 trust investment managed by SISC experienced a 2.76% return on investment during the 4th quarter of 2016/17. The economy has improved; however, interest rates remain historically low. Long term, SISC has been successful with its allocation model of approximately 60% equity and 40% fixed income.

The Town Treasurer has directed the Trustee, Wells Fargo Bank, to invest the reserve funds of the Paradise RDA Bond 2009 in accordance with the Town's investment policy. The reserve funds had been yielding less than 0.01% in mutual funds. The reserve funds are now invested in CD's that will yield 1.05% over a one-year period. While these investments and balances are not part of the Town's idle or operating cash, the yield will ultimately lessen the amount the Town will be required to contribute in future debt service payments.

Fiscal Impact Analysis:

Isolating the gain from the GASB 45 trust, the Town earned \$9,712.97 for the quarter ended June 30, 2017. That is compared to \$6,189.66 for the quarter ended June 30, 2016. Again, isolating the GASB 45 return, over 32 basis points more in average yield was realized compared to a year ago, but had about \$253,000 less average balances invested. Removing the GASB 45 trust earnings, the Town earned \$26,281.15 in the 2016/17 fiscal year as compared to \$20,867.58 in the 2015/16 fiscal year.

TOWN OF PARADISE
 QUARTERLY SUMMARY OF INVESTMENTS
 For Quarter Ended June 30, 2017

<u>Investment</u>	<u>Type</u>	<u>For Quarter Ended June 30, 2017</u>			<u>For Quarter Ended June 30, 2016</u>			<u>Net Change</u>
		<u>Yield</u>	<u>Book Value</u>	<u>Market Value*</u>	<u>Yield</u>	<u>Book Value</u>	<u>Market Value*</u>	
US Bank	Checking	0.22%	374,642.85	374,642.85	0.22%	915,041.84	915,041.84	(540,398.99)
Local Agency Investment Fund (LAIF)	Savings	0.93%	3,861,758.16	3,857,667.29	0.55%	3,965,566.40	3,968,029.90	(103,808.24)
SISC GASB 45 Trust B	Various	2.76%	127,024.77	127,024.77	0.94%	91,008.77	91,008.77	36,016.00
Fiscal Agents & Petty Cash	Other	0.00%	1,350.00	1,350.00	0.00%	1,750.00	1,750.00	(400.00)
	Totals		4,364,775.78	4,360,684.91		4,973,367.01	4,975,830.51	(608,591.23)
Total Quarterly Earnings on accrual basis			12,796.34		7,035.68			
Total Annual Earnings (July 1st - June 30th)			37,486.20		19,348.79			

* Market Value determined by LAIF

Reserve Funds Invested

Paradise RDA Bond 2009	\$	340,000.00
	\$	340,000.00

<u>Issuer</u>	<u>FDIC Number</u>	<u>Yield</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Type</u>	<u>Investment</u>	<u>Earnings</u>
Beal Bank	32574	1.050%	01/04/17	01/03/18	CD	248,000.00	2,596.87
Discover Bank	5649	1.050%	01/05/17	01/05/18	CD	92,000.00	966.00
						<u>340,000.00</u>	<u>3,562.87</u>

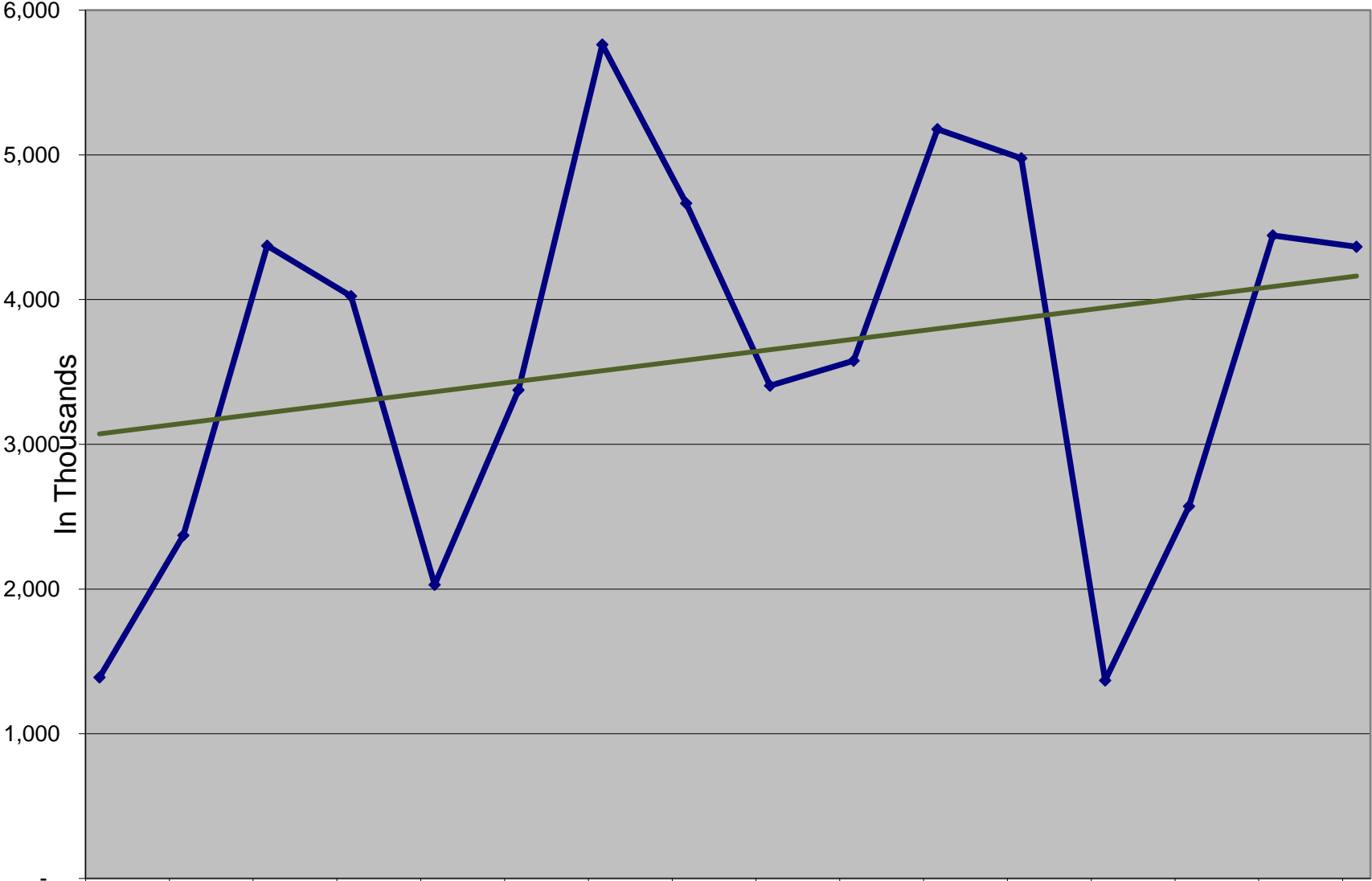
In compliance with the California Code Section 53646; the Treasurer of the Town of Paradise hereby certifies that sufficient investment liquidity and anticipated revenues are available to meet the Town's budgeted expenditure requirements for the next six months.

Investments in the report meet the requirements of the Town of Paradise's adopted investment policy.

Respectfully submitted,

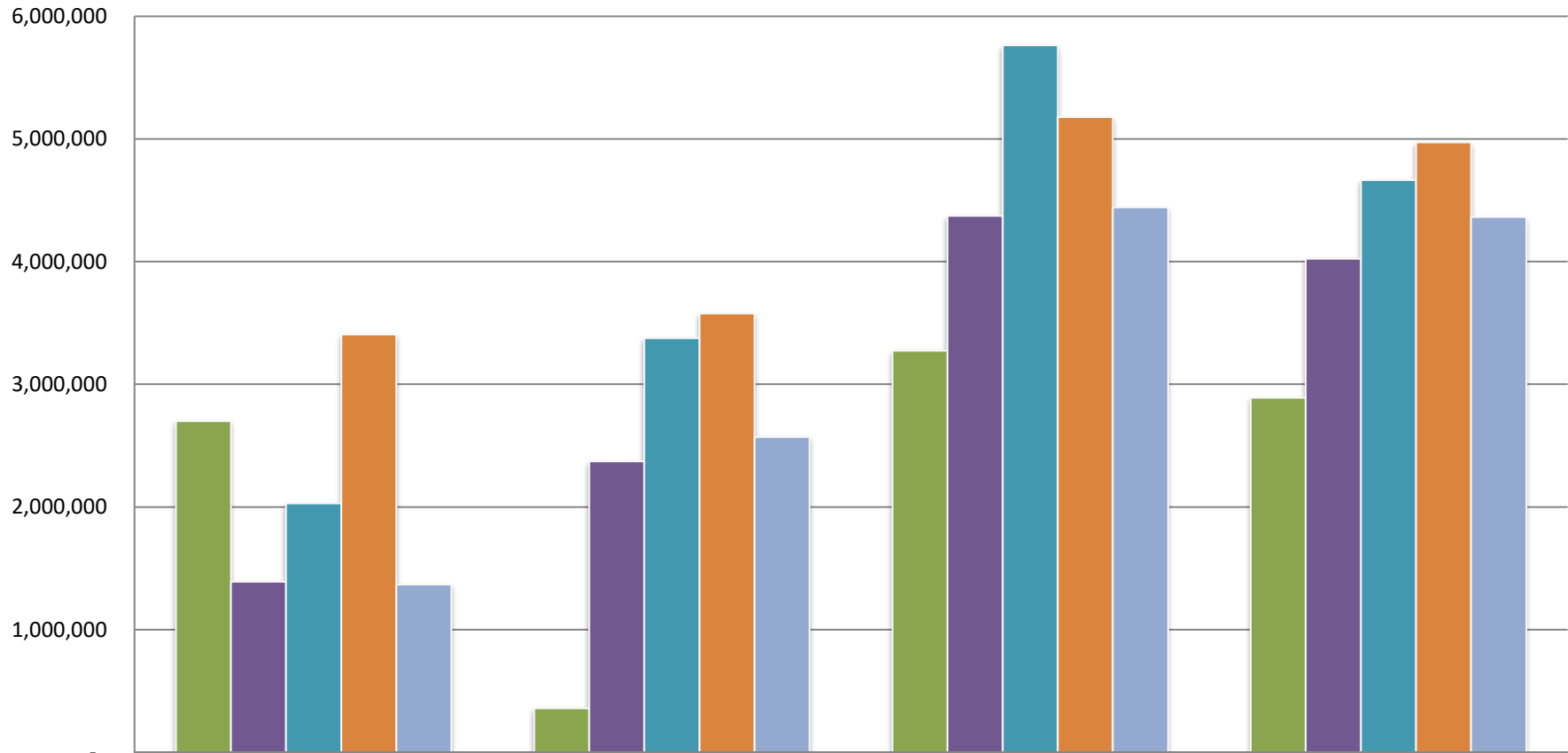
Gina S. Will
 Administrative Services Director/Town Treasurer

**Town of Paradise
Investment Balances with Trendline
September 2013 - June 2017**



	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Series1	1,390	2,371	4,373	4,023	2,030	3,375	5,762	4,665	3,406	3,578	5,178	4,976	1,368	2,572	4,443	4,365

Town of Paradise Investment Balances 2012/13 - 2016/17



	Sept. 30th	Dec. 31st	March 31st	June 30th
■ 2012/13	2,701,104	357,101	3,274,156	2,890,429
■ 2013/14	1,389,733	2,370,880	4,372,599	4,022,638
■ 2014/15	2,029,885	3,375,031	5,764,007	4,665,263
■ 2015/16	3,406,433	3,577,592	5,178,404	4,973,367
■ 2016/17	1,368,222	2,571,507	4,442,724	4,364,776



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 2(f)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: PD Roof Replacement Project Acceptance

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting Contract No. 17-08, PD Roof Replacement Project, performed by Powell Roofing of Chico, CA.

Background:

The Paradise Police Department building, located at 5595 Black Olive Drive, has experienced water intrusion issues near aged windows and on the second floor of the building. Efforts in the prior two years have been made to replace damaged siding and awnings, however during the 2016/2017 winter, staff has made the determination that the existing conditions on the roof and at windows throughout the building cannot continue to be maintained.

During the recent 2017/2018 budget planning process, staff recommended replacement of windows, roofing and specific drywall repairs to the Town Council and Measure C Oversight Committee. Both bodies concurred that this project is necessary as a regular course of business, one which may not be able to be funded without the existence of Measure C funds.

At the April 11, 2017 Town Council meeting, Town Council asked staff to research options for the replacement of the aging, flat roof. A photo of the typical roof condition is provided below:



Following inspections by Public Works, Building, and local contractors, staff recommended the complete removal and replacement of the roof in-kind. The roofing material has adequate fall for drainage and is simply in need of regular replacement. As a result, staff has assembled the following project scope:

- Remove and replace roofing (20 year warranty)
- Includes new flashings (and leak protection) for all parapets, vents, HVAC curbing units, and other vertical components
- Includes new interior parapet sheeting overlay
- Includes new metal parapet caps

A comprehensive bid package for the entire scope of work was assembled by staff and issued to contractors on May 22, 2017 (general scope provided as an attachment to this report). Licensed Contractors (A, B or C39) may bid the project as long as the Town's insurance requirements can be met.

The Notice to Bidders issued to area contractors and regional contractor exchanges stated that bidders must attend the mandatory pre-bid meeting scheduled for June 6, 2017. Only one bidder attended the meeting. On June 15, 2017, zero bids were received.

Staff re-advertised the project on June 19, 2017 with a reduced scope to only include the roofing scope of work. Staff individually contacted all licensed contractors in Butte County regarding the work and yet on July 5, 2017, zero bids were received. Reasoning from firms on why they were not providing bids mostly hinged on the Town's desire for project completion prior to the end of September 2017.

On July 11, 2017, Paradise Town Council authorized staff to seek out and directly contract with a qualified and capable firm to perform the work.

Analysis:

Staff immediately began contacting contractors in an urgent effort to complete the project prior to the first major rain event of the year. Staff identified two contractors which each presented different options for construction, comparing traditional hot melt with a thermoplastic overlay. Both options were near equal for construction costs and long term warranty. Ultimately, a thermoplastic overlay was selected with Powell Roofing of Chico, CA. Thermoplastic overlays are a new industry standard, especially for flat roofs in commercial applications. The agreed contract price was \$39,285.00 and was fully executed on August 21, 2017.

Work for the PD Roof Replacement began September 19, 2017. All contract work was completed on September 28, 2017 with no issues or change orders. The base contract scope of work called for a contingency of roof and parapet sheeting removal and replacement. The contractor found the sheeting to be sound and did not recommend any removal prior to the installation of the new roofing surface.

Financial Impact:

A total of \$75,000 of Measure C funds were allocated to replace the Police Department's roof, windows and various drywall repairs. Measure C is a local sales tax initiative which aims to support Police, Fire, Road and Animal Control. The total roof replacement cost is \$37,785.00. After considering the window replacement and drywall repairs, staff expects this budget item to be \$28,000 under budget.

**TOWN OF PARADISE
RESOLUTION NO. 17-___**

**A RESOLUTION OF THE TOWN COUNCIL OF TOWN OF PARADISE
ACCEPTING THE WORK PERFORMED UNDER THE PD ROOF
REPLACEMENT PROJECT (CONTRACT NO. 17-08).**

WHEREAS, the Town of Paradise has heretofore contracted with Powell Roofing for certain work performed under that certain project known as the PD Roof Replacement Project, being Contract No. 17-08; and

WHEREAS, said work of improvements, as called for by the contract between the Town of Paradise and Powell Roofing, referable to said project was completed on September 28, 2017 to the satisfaction of the Town; and

WHEREAS, there has been posted a bond insuring the work of improvements from a maintenance standpoint for a period of one year from and after completion. The roofing material has a twenty year warranty from and after completion.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Town Council of the Town of Paradise that it hereby accepts the work performed on those certain improvements, the subject of a contract between the Town of Paradise and Powell Roofing, known and referred to as the PD Roof Replacement Project.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCOTT LOTTER, MAYOR

ATTEST:

DINA VOLENSKI, TOWN CLERK

APPROVED AS TO FORM:

DWIGHT L. MOORE, TOWN ATTORNEY



**TOWN OF PARADISE
Council Agenda Summary**

AGENDA NO. 2(g)

ORIGINATED BY: Kate Anderson, Housing Program Supervisor

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: HOME Housing Program Guidelines

COUNCIL ACTION REQUESTED: Adopt Resolution No. 17 - ____ “A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE AMENDING THE HOME OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 15-49, THE HOME FIRST-TIME HOMBUYER PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 09-21, AND THE HOME TENANT-BASED RENTAL ASSISTANCE PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 16-25”.

BACKGROUND: Since 1995, through various grant sources, the Town of Paradise has provided financial assistance in the form of home repairs, down-payment assistance and, newly added, rental assistance to low-income residents. The Town recently received its tenth HOME award, in the amount of \$1,000,000. As a condition of receiving these funds, the HOME Program requires us to update our program guidelines to reflect changes that have occurred in their program regulations.

DISCUSSION: The HOME program guidelines for each housing program are attached for your information and review. The State of California Housing & Community Development HOME Program highly recommends the use their best-practices guidelines as a template, and the State approved these guidelines on September 21, 2017.

RECOMMENDATION: Staff recommends that Council adopt the resolution approving the required changes to our housing program guidelines for the HOME Program.

FISCAL IMPACT: The changes to these guidelines do not precipitate any action or condition that will cause any additional impact to the Town. If these guidelines are approved, we will receive \$1,000,000 in grant funds to support our on-going owner-occupied housing rehabilitation and first-time homebuyer programs.

TOWN OF PARADISE

RESOLUTION NO. 17 - ____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE AMENDING THE HOME OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 15-49, THE HOME FIRST-TIME HOMEBUYER PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 09-21, AND THE HOME TENANT-BASED RENTAL ASSISTANCE PROGRAM GUIDELINES PREVIOUSLY ADOPTED BY RESOLUTION 16-25

WHEREAS, the Paradise Town Council adopted Resolution 15-49, “A Resolution of the Town Council of the Town of Paradise Amending the HOME Owner-Occupied Housing Rehabilitation Program Guidelines as of September 24, 2015” dated November 2015; and

WHEREAS, the Paradise Town Council adopted Resolution 09-21, “A Resolution of the Town Council of the Town of Paradise Amending the HOME First-Time Homebuyer Program Guidelines Previously Adopted by Resolution 08-09” dated June 2009; and

WHEREAS, the Paradise Town Council adopted Resolution 16-25, “A Resolution of the Town Council of the Town of Paradise Adopting the HOME Tenant-Baled Rental Assistance Program Guidelines” dated June 2016; and

WHEREAS, the Town Council now desires to adopt the revisions, recommended by the State of California Housing & Community Development HOME Program, each the HOME Housing Program Guidelines.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF PARADISE DOES HEREBY RESOLVE AS FOLLOWS:

1. The Town Council hereby amends the HOME Owner-Occupied Housing Rehabilitation Program Guidelines dated September 21, 2017, as shown in the attached as Exhibit A.
2. The Town Council hereby amends the HOME First-Time Homebuyer Program Guidelines dated September 21, 2017, as shown in the attached as Exhibit B.
3. The Town Council hereby amends the HOME Tenant-Baled Rental Assistance Program Guidelines dated September 21, 2017, as shown in the attached as Exhibit C.
4. This resolution is effective immediately upon adoption.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of November 2017 by the following vote:

AYES:
NOES:
ABSENT:
NOT VOTING:

Scott Lotter, Mayor

ATTEST:

Dina Volenski, Town Clerk

APPROVED AS TO LEGAL FORM:

Dwight L. Moore, Town Attorney

TOWN OF PARADISE

SINGLE-FAMILY HOUSING REHABILITATION ASSISTANCE PROGRAMS (HOME and CDBG)

PROGRAM DESIGN AND PROCESS



HCD Version 6.2017

CDBG Approved (date)
HOME Approved 09/21/17
COUNCIL Approved (date)

**TOWN OF PARADISE
HOUSING REHABILITATION
PROGRAM GUIDELINES**

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**TOWN OF PARADISE
HOUSING REHABILITATION
PROGRAM GUIDELINES**

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- ATTACHMENT B: ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS – FOR CDBG & HOME
- ATTACHMENT C: MAXIMUM PURCHASE PRICE AFTER-REHAB VALUE LIMIT; HOME PER UNIT SUBSIDY LIMIT; CURRENT INCOME LIMITS; BEDROOM & BATHROOM ADDITION STANDARDS
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TOWN OF PARADISE HOUSING REHABILITATION PROGRAM GUIDELINES

Adopted October 10, 2017

1.0. GENERAL

The above-named entity, hereinafter referred to as the “Sponsor”, has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded housing rehabilitation programs. The rehabilitation program described herein and hereinafter referred to as the “Program” is designed to provide assistance to eligible homeowners for correction of health and safety items, as well as code violations, located within the Program’s eligible area, as described in Section 3.0. The Program provides this assistance in the form of deferred payment loans used to finance the cost of necessary repairs that will provide the homeowner with a healthy, safe, sanitary and code compliant home, referred to herein as “housing unit”. The Program will be administered by the Town of Paradise, hereinafter referred to as the “Program Operator”.

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be 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 or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation, be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps have access to the Program.

A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be 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. A Fair Housing Marketing Plan can be found as Attachment D. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homeownership education classes to help educate homeowners about credit, budgeting, predatory lending, foreclosure prevention and home maintenance, as well as future responsibilities.

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 Program Sponsor will take appropriate steps to ensure

effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS AND SELECTION

A. Waiting List/Homeowner Contact

The Sponsor will utilize a waiting list. In response to a homeowner's request, the homeowner is placed on the waiting list. Homeowners are offered the opportunity to qualify for assistance by waiting list priority (a first-come, first served basis).

The Program Operator will contact homeowners by mail and/or by telephone to advise of funding availability. The homeowner has 30 days to complete and return the loan application and supporting documentation. Should a homeowner fail to respond to the initial contact for assistance or to provide any of the required documentation within the 30-day period, the homeowner's name will be removed from the waiting list. If the homeowner desires assistance at a later time, he/she will be placed on the waiting list at that time.

Should the waiting list be exhausted, the Program will be marketed in accordance with the Sponsor's Marketing Plan. **See Attachment D.**

B. Application/Interview

An application packet is provided to the homeowner for completion and submittal to the Program Operator, along with supporting documentation. An interview is scheduled with the applicant. The Program is fully explained; application forms and documentation are reviewed. Verifications are obtained for income, assets, employment, benefits, and mortgage. Title report and appraisals are also obtained.

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

C. Household Selection

Households selected for participation in the Sponsor's Housing Rehabilitation Program are those determined eligible upon completion of processes described in A. and B. above.

D. Initial Inspection/Work Write-Up/Estimate

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

If the home is a pre-1978 unit, the initial inspection will also include paint testing by a certified Lead-Based Paint (LBP) inspector/assessor or presumption of LBP. Code deficiencies will be corrected and if presumption is used or lead hazards are found

they will be properly treated according to HUD regulations (Section 6.1.E & F) and cleared by a certified LBP inspector/assessor. **Note: CDBG projects shall refer to Chapter 20, Lead-Based Paint Requirements for guidance in the CDBG Grant Management Manual.**

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

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

E. Bid Solicitation

For large projects, a bid walk-through date and time are scheduled. The homeowner may choose to solicit his/her own bids or request that the Program Operator solicit bids on his/her behalf. Invitations to bid are mailed to all eligible contractors on file in efforts to obtain three reasonable bids. Bid results will be provided to participating contractors.

Contractors must be licensed and bonded by the State of California Contractors Licensing Board. Contractors must also provide Program Operator with evidence of Workers' Compensation Insurance (if applicable) and Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000.

Cost reasonableness is determined by comparing the bids received with the cost estimate prepared by the Program Operator. Bids should be within 10% of the Program Operator's cost estimate, otherwise an explanation must be provided to the file for any bid selected exceeding 10% of the estimate. The homeowner is encouraged to accept the lowest reasonable bid.

The Program Operator 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 that he/she is not on the Federal debarred list. Once determined eligible, the contractor is then notified of provisional award of bid (pending loan approval). Notices of non-award are mailed to participating contractors.

F. Loan Request/Approval

A report and loan request are prepared on behalf of the homeowner by the Program Operator. The loan request includes the cost of construction, a contingency fund, and other project costs (listed in Section 6.3.). Note: For HOME, the project costs listed in Section 6.3 are considered activity delivery costs to be paid by the Sponsor and may not be charged to the homeowner's loan. A Loan Review Committee

meeting is scheduled to hear the loan request. Section 1.3 provides additional information on the loan approval process. Once approved, loan documents are executed and the loan is funded.

G. Pre-Construction Conference

A pre-construction conference is scheduled with homeowner, contractor, and Program Operator. The Program Operator reviews the Owner-Contractor Construction Contract, including the work write-up, start date, pay schedule, and date of completion, with the homeowner and contractor. The construction contract and Notice to Proceed are executed.

H. Start-Up/Field Inspections

The Program Operator monitors date of start-up and performs field inspections on a regular basis. The Program Operator will visit the job site regularly in order to check the scope of work, inspect materials, and to confirm the job is on schedule and within budget. The Program Operator works with the Sponsor's Building Inspector to ensure the work meets building codes, while not exceeding funding limits.

The Program Operator reviews the work status with the homeowner and with the contractor in order to remedy any developing problems quickly and to ensure that both are satisfied with the construction process. At the completion of each phase, the Program Operator inspects the work and the homeowner authorizes contractor payments.

The Program Operator will refer back to original plans and specifications to verify the work was completed as contracted.

I. Change Orders

Written change orders are required when the homeowner 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 will state the change and dollar value for the change. The change order must be signed by both the contractor and the homeowner, and submitted to the Program Operator for approval. If the change order exceeds the approved financing, the homeowner will be asked to provide additional funds or a report and request for additional funds may be presented to the Sponsor for approval prior to Program Operator signing-off on the change order.

J. 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 homeowner and notifies the Program Operator that he/she has done so. Upon favorable inspection by the homeowner, Program Operator, and Sponsor or Sponsor's Building Inspector, the payment authorization is signed by the homeowner and submitted for payment.

K. Final Inspections/Notice of Completion/Final Payment

When the project is completed, the Program Operator inspects the work item by item with the homeowner, the contractor, and/or the Sponsor. The Sponsor's Building Inspector performs a 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 homeowner, and then recorded. The final ten-percent (10%) retention payment is released 35 days after the recording of the Notice of Completion.

1.3. LOAN PROCESS

The Sponsor's Loan Review Committee must approve all loans and grants. The Loan Review Committee may approve assistance with CDBG financing exceeding 100 percent of after-rehabilitation value as needed in cases where no other financial resources are available to cover the cost of the repairs and where clear and convincing documentation exists, justifying why the exception is needed.

For HOME-funded loans, the total financing cannot be more than 100 percent of the after-rehabilitation value, unless (per HOME Management Memorandum 13-01 at <http://www.hcd.ca.gov/grants-funding/grants-management-memos.shtml#home>) the amount of HOME assistance that exceeds the 100 percent after-rehabilitation value is granted rather than loaned, due to a lack of any equity after rehabilitation, based on existing loans on the property. In addition, the amount of HOME assistance, including Sponsor's claimed Activity Delivery Costs, cannot exceed the Sponsor's County maximum HOME Per Unit Subsidy Limit at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg>, and the after-rehabilitation value cannot exceed the HOME Maximum After-Rehabilitation Value. **See Attachment C for current limits.**

In order to obtain financing, applicants must meet all property and eligibility guidelines in effect at the time the application is considered. Homeowners will be provided written notification of approval or denial. Any reason for denial will be provided to the applicant in writing.

1.4. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance. Section 92.356 of the HOME Final Rule shall be followed for HOME assistance, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

2.0. APPLICANT QUALIFICATIONS

2.1. INCOME LIMITS

All homeowners must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD each year. **See Attachment C.**

The link to the official HCD-maintained income limits for HOME and CDBG Funded activities is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg> (use State CDBG and HOME) limits.

Household: means one or more persons who will occupy a housing unit. Unborn children don't count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.1.1 OWNER-OCCUPIED REQUIREMENTS

Owner-Occupant - to be eligible, household income must be equal to or less than the applicable HCD income limits. Owner will be required to provide income documentation. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. **See Attachment A for HOME and CDBG.** Refer to Asset Inclusions and Exclusions for further guidance to the types of assets to be included or excluded when calculating gross annual income. **See Attachment B.**

Owner-occupants housing and/or debt ratios are not considered, nor is a credit report required, as the funding provided creates no additional monthly financial obligation. If an owner-occupant has a mortgage, it is verified that all payments are current and that no late payments have been received in the past twelve months.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be used to determine whether they are above or below the published HCD income limits. Income qualification criteria for HOME and CDBG, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. Income will be 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 shall be dated within six months prior to loan closing and kept in the applicant 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 will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and of live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment A: HOME and CDBG 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

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 savings 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.

The Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. HOMEOWNER ELIGIBILITY AND RESIDENCY REQUIREMENTS

The Sponsor's Housing Rehabilitation Program allows for owner-occupied properties to participate in the Program. Owner-occupied units must be the owner's principal place of residence. A photocopy of a recent utility bill will verify proof of occupancy. No unit to be rehabilitated will receive financial assistance if it is currently occupied by an over-income household or does not meet the eligibility standards outlined in these guidelines.

2.3.1 OWNER-OCCUPIED

A. Continued residency is monitored annually per Attachment F for the term of the loan. Occupancy will be 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 primary residence of the owner.

B. In the event that an homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan becomes due and payable, unless the following conditions are met:

The homeowner who received the loan dies and the heir to the property meets income requirements and intends to occupy the home as his/her principal residence. Upon approval of the Sponsor, 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.

C. If a homeowner converts the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.

If the loan is funded with a HOME Loan it is not transferable except under the following limited circumstances:

- (a) The transfer of the Property to the surviving joint tenant by devise, descent or operation of the law, on the death of a joint tenant;
- (b) A transfer of the Property where the spouse becomes an owner of the property;
- (c) A transfer of the Property resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or

- (d) A transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the property.

3.0. PROPERTY ELIGIBILITY

3.1. CONDITIONS

- A. No unit will be eligible if a household's income exceeds the prescribed income limits listed in Attachment C.
- B. Units to be rehabilitated must be located within the incorporated areas of the Sponsor's jurisdiction.
- C. Property must contain a legal residential structure intended for continued residential occupancy.
- D. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. For CDBG the priority will be the elimination of health and safety hazards. Sponsor may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components. Section 8 Housing Quality Standards may be required on rentals by Sponsor when CDBG funds are used.

3.2. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Tenants will be informed of their eligibility for temporary relocation benefits if occupancy during rehabilitation constitutes a danger to health and safety of occupants or public danger or is otherwise undesirable because of the nature of the project. Relocated persons will receive increased housing costs, payment for moving and related expenses and appropriate advisory services, as detailed in the Sponsor's "Residential Anti-displacement and Relocation Assistance Plan" (**Attachment E**).

Owner-occupants are not eligible for temporary relocation benefits, unless health and safety threats are determined to exist by the Program Operator. In cases where relocation is determined to be necessary by the Sponsor/Program Operator, assistance may be provided for actual costs incurred from the applicant's loan proceeds or as a grant (**see Section 4.4. for allowable grants**). HOME-funded projects will provide relocation assistance in the form of a grant, which shall be included in the maximum assistance amount.

3.3. NOTIFICATION AND DISCLOSURES

- A. Occupants of units constructed prior to 1978 will 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 will be 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 will also be supplied. When Lead hazards are present, a Notice of Lead Hazard Reduction Activity and a Lead Hazard Evaluation Report will also be provided (**Attachment I**).

- B. Tenants located in properties that will receive housing rehabilitation will be provided a notice outlining their relocation rights and benefits (**Attachment E**).

4.0. THE PROGRAM LOAN

4.1. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

An eligible homeowner may qualify for the full cost of rehabilitation/reconstruction work needed to comply with State and local codes and ordinances. Maximum assistance shall not exceed the Sponsor's County maximum HOME Subsidy Limits Per Unit at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg>. See Attachment C for current limits. For CDBG-funded programs, the maximum assistance for rehabilitation/reconstruction will not exceed \$190,430.

4.2. AFFORDABILITY PARAMETERS FOR HOMEOWNERS

- A. Total indebtedness against property shall not exceed 100 percent of after-rehabilitation value as determined by "Estimates of value" or an appraisal, for CDBG or HOME projects. The exception for HOME loans is per HOME Management Memorandum 13-01 at <http://www.hcd.ca.gov/grants-funding/grants-management-memos.shtml#home> wherein the amount of HOME assistance that exceeds the 100 percent after-rehabilitation value is granted rather than loaned, due to a lack of any after-rehabilitation equity based on existing loans on the property. An estimate of after-rehab value will be made prior to making a commitment of funds using the method outlined in Section 4.5.
- B. HOME-funded units' after-rehabilitation value shall not exceed the HOME Program Maximum Purchase Price/After-Rehabilitation Value Limits for Sponsor's County as updated by HUD and published on the HCD Website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>. See Attachment C.
- C. Any bid within 10% of the Program Operator's estimate may be selected, otherwise an explanation must be provided to the file for a bid selected exceeding 10% of the estimate.

4.3. RATES AND TERMS

4.3.1. OWNER-OCCUPANTS

- A. Homeowners are eligible for Deferred Payment Loans (DPL), at 3% interest, evidenced by a Promissory Note and secured by a Deed of Trust, with no payback required for 30 years unless the borrower sells or transfers title or discontinues residence in the dwelling. Payments may be made voluntarily on a DPL. **Note: If it is determined by the Sponsor that repayment of a CDBG Program loan at the**

maturity date causes a hardship to the homeowner, the Sponsor may opt the following:

1. Amend the note and deed of trust to defer repayment of the amount due at maturity, that is balance of the original principal plus the accrued interest, for up to an additional 30 years (at 0% additional interest). This may be offered one time;
 2. Convert the debt at loan maturity; that is the balance of the original principal plus any accrued interest, to an amortized loan, repayable in 15 years at 0% additional interest.
- B. If the homeowner dies, and if the heir(s) to the property live(s) in the house and is/are income eligible, the heir(s) may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir(s) qualifies for under current participation guidelines.
- C. If the homeowner dies and the heir(s) is/are not income eligible, the loan becomes all due and payable.
- D. If a homeowner converts the rehabilitated property to any residential-rental, commercial or non-residential use, the loan becomes all due and payable.
- E. As specified in the Rehabilitation Loan Agreement, all applicants who participate in the Program must maintain the property at post-rehabilitation conditions for the term of the loan. Should the property not be maintained accordingly, the loan shall be considered in default and becomes all due and payable, and if necessary, foreclosure proceedings will be initiated. A method of inspection will be established by the Sponsor.

4.4. GRANTS

- A. CDBG-funded programs may provide grants as follows:
A grant of up to \$7,500 is available for any one of the following qualifying factors:
1. Senior Citizen - at least 62 years old; or
 2. Handicapped – for only handicap modifications to a house with one or more physically handicapped occupants who would function more independently if such modifications were installed; or
 3. Lowest Targeted Income Group – with gross annual income less than 50 percent of County median income; or
 4. Equity maintenance – if financing rehabilitation entirely with a loan would cause indebtedness to exceed 100% of after-rehabilitation value.
- B. HOME and CDBG provide grants for all actual costs of lead-based paint evaluation and reduction activities.
- C. HOME and CDBG provide grants for relocation assistance. See Relocation Assistance Plan, **Attachment E**.
1. Owner-Occupant – Limit of \$3,000.

4.5. APPRAISAL

- A. The After-Rehab Value for rehabilitation projects is determined using the “Estimates of value” method. The Sponsor or Program Operator determines estimates of value based on the sale prices of at least three (3) comparable properties, sold within the last six months (within one year of the assistance date, which is the date the promissory note is signed), and located within one mile of the subject property. The participants’ file will include the estimate of value and document the basis for the value estimates. The purpose of the “Estimates of value” is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (**See Attachment C**). If three comparable properties cannot be found, or if there is any question regarding the After-Rehab Value, the ARV will be determined by a licensed appraiser, as described in Section 4.5.B. below.
- B. A licensed appraiser determines the After-Rehab Value for rehabilitation projects, when the “Estimates of value” method cannot be used. For rehabilitation projects the appraiser determines the value of the unit with the rehabilitation building plans and specifications included. The cost of the appraisal will be paid by the Sponsor, not by the homeowner. The purpose of the appraisal is to determine that the after-rehabilitation value of the housing unit will not exceed the permitted amount per HCD Program regulations (**See Attachment C**), and that the combined loans will not exceed the maximum combined loan-to-value limit, as described in Section 4.2.A above.
- C. The After-Rehab Value for reconstruction projects is determined by a licensed appraiser. The After-Rehab Value for reconstruction projects is determined by an appraisal completed off the building plans and specifications for the new home. The cost of the appraisal will be paid by the Sponsor, not by the homeowner. The purpose of the appraisal is to determine that the After-Rehabilitation Value Limit of the housing unit will not exceed the permitted amount per HCD Program regulations (**See Attachment C**).

4.6. INSURANCE

4.6.1. FIRE INSURANCE

The homeowner shall maintain fire insurance on the property for the duration of the Program loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the Sponsor as Loss Payee for the amount of the Program loan(s). Evidence of this shall be provided to the Sponsor.

In the event the applicant fails to make the fire insurance premium payments in a timely fashion, the Sponsor at its option, may make such payments for a period not to exceed 60 days. The Sponsor may, in its discretion and upon the showing of special circumstances, make such premium payments for a longer period of time. Should the Sponsor make any payments, it may, in its sole discretion, add such payments to the principal amount that the applicant is obligated to repay the Sponsor under this Program. The premium may be paid by the Program loan for one year. **Note: HOME and CDBG funds cannot be used to pay insurance cost beyond those identified as initial loan costs.**

4.6.2. FLOOD INSURANCE

For homes in a 100-year flood zone, the owner is required to maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the Sponsor as Loss Payee and a binder shall be provided to the Sponsor and maintained in the borrowers file. The premium may be paid by the Program loan for one year. **Note: HOME funds cannot be used to pay insurance cost beyond those identified as initial loan costs.**

4.7. LOAN SECURITY

- A. Loan security for all owner-occupied rehabilitation stick-built homes will be secured by the real property and improvements, and will also include a Deed of Trust, Promissory Note and Loan Agreement in favor of the Sponsor.
- B. A manufactured home in a mobile home park or on leased land that is not on a permanent foundation will be secured by an HCD 480.7 or an HCD 484 Statement of Lien, and will also include a Promissory Note and Loan Agreement.
- C. Entering a subordinate lien is acceptable. However, the Sponsor will not subordinate a first lien position once established.

5.0. PROGRAM LOAN SERVICING AND MAINTENANCE

5.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time.

5.2. RECEIVING LOAN REPAYMENTS

- A. Program loan payments will be made to:

**Town of Paradise
Business & Housing Services
5555 Skyway
Paradise, CA 95969**

- B. The Sponsor will be the receiver of loan payments or recapture funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's appropriate Program Income Account, as required by all HCD programs. The Program Sponsor will accept loan payments from borrowers prepaying deferred loans and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor 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.

5.3. LOAN SERVICING POLICIES AND PROCEDURES

See **Attachment F** for local loan servicing policies and procedures. While the attached

policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

5.4. LOAN MONITORING PROCEDURES

Homeowners will be required to submit each of the following to the Sponsor at the time of annual occupancy verification per Attachment F:

- Proof of occupancy in the form of a copy of a current utility bill;
- Statement of unit's continued use as a residence;
- Declaration that other title holders do not reside on the premises;
- Verification that Property Taxes are current; and
- Verification of current required insurance policies.

5.5. DEFAULT AND FORECLOSURE

If an owner defaults on a loan, and foreclosure procedures are instituted, they shall be carried out according to the Program Foreclosure Policy adopted by the Sponsor, and attached to these guidelines as **Attachment G**.

5.6. SUBORDINATIONS

The Sponsor may approve a request to subordinate a loan, in order for the owner to refinance the property, under the following conditions:

- A. The lien position of the Sponsor loan will remain the same or be advanced.
- B. The new primary loan is no greater than the balance of the loan being refinanced, except the costs of refinancing the loan may be added to the principal balance.
- C. The purpose of the new primary loan is to reduce the interest rate being paid and/or reduce the owner's payment.
- D. The refinanced loan must have an impound account for taxes and insurances.
- E. The refinancing terms must be acceptable to the Sponsor.
- F. CDBG allows refinancing with CDBG funds in conjunction with only rehabilitation of the unit.

6.0. CONSTRUCTION

6.1. STANDARDS

- A. All repair work will meet Local Building Code standards. At a minimum, health and safety hazards must be eliminated. For CDBG the priority will be the elimination of health and safety hazards. Sponsor may also require elimination of code deficiencies. When HOME funds are used for housing rehabilitation, the property must meet all applicable current codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. However, if certain components of the house are sound and were built to code prescribed at the time of installation, no repair or alteration will be made to those components.
- B. Contracting Process
1. Contracting will be done on a competitive basis.
 2. The homeowner will be the responsible agent, but the Sponsor and/or its Program Operator will prepare the work write-up, prepare and advertise the bid package, and assist the owner in negotiating the construction contract.
 3. The Sponsor does not warrant any construction work, or provide insurance coverage.
- C. Approved Contractors
1. Contractors are required to be licensed with the State of California, and be active and in good standing with the Contractors' License Board.
 2. Contractors will be checked against HUD's list of federally debarred contractors. No award will be granted to a contractor on this list.
 3. Contractors must have public liability and property damage insurance, and worker's compensation, unemployment and disability insurance, to the extent required by State law.
 4. Contractor must agree to comply with all federal and state regulations.
- E. Occupants of units constructed prior to 1978 will receive proper notification of Lead-Based Paint (LBP) hazards as identified in Section 3.3.A.
- F. Units constructed prior to 1978 will also be inspected according to the following HUD regulations.. For CDBG funded programs please 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, the following is required:
 - (a) Paint testing or presume LBP;
 - (b) Clearance of disturbed work areas; and
 - (c) Notifications listed in Section 3.3.A.
 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, 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 will be implemented. This level will also require 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, 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 rehab; and all notices listed above in Sections 3.3.A. and 6.1.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 will be properly treated or abated. A State-certified Inspector/Assessor will perform all paint testing, risk assessments, and clearances. A trained supervisor may oversee interim controls; however, a certified supervisor and workers will perform all abatement.

6.2. ELIGIBLE CONSTRUCTION COSTS

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

Rehabilitation includes reconstruction. Federal law and policy allows the use of HOME funds to demolish and reconstruct owner-occupied residential structures. Reconstruction is defined as the demolition and construction of a structure. The Sponsor and/or Program Operator must document that the reconstruction costs are less than the cost to rehabilitate the existing substandard housing. This will be done using the State’s HOME Test for Reconstruction, for projects funded with HOME funds.

Additionally, the Sponsor must determine that the project’s value after reconstruction (housing and land combined) is less than the Maximum After-Rehabilitation Value for the Sponsor (see Attachment C, One-Family).

The residential structure to be reconstructed must be a structure with cooking, eating, sleeping, and sanitation facilities which has been legally occupied as a residence within the preceding 12 months. Fifth wheels or recreational vehicles, for example, are not considered dwellings and therefore are not eligible under this Program.

Like for like requires that the structure being demolished must be replaced with a like structure (replace manufactured housing with manufactured housing, for example). However, additions may be approved by the HCD Program when required by Codes/Ordinances or to alleviate overcrowding. **(See Attachment C)**

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

Depending on the outcome of the Statutory Worksheet (Environmental test), a reconstructed project may require Authority from the State before funds are committed to the project.

Allowable rehabilitation\reconstruction costs include:

- A. Cost of building permits and other related government fees.
- B. Cost of architectural, engineering, and other consultant services which are directly related to the rehabilitation of the property.
- C. Rehabilitation or Replacement of a manufactured home. Rehabilitation of a manufactured home may include the replacement of the unit with a used manufactured home and the cost to repair it, as long as the unit has been occupied and not used as a demonstration model. Should the unit meet the criteria for reconstruction a new manufactured home can be used for replacement and all cost associated with the purchase and transportation can be added to the loan.
- D. Owner-occupied rehabilitation activity delivery fees, pursuant to Section 7733(f), as reimbursement to the Sponsor for the actual costs of services rendered to the homeowner that are incidentally but directly related to the rehabilitation work (e.g. planning, engineering, construction management, including inspections and work write-ups).
- E. Rehabilitation will address the following issues in the order listed. Eligible costs are included for each item.

1. Health and Safety Issues

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

2. Code and Regulation Compliance

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

3. Demolition

Eligible costs include, but are not limited to, the tear down and disposal of dilapidated structures when they are a part of the reconstruction of an affordable housing unit. If a garage or carport is detached, it may not be rehabilitated but may be demolished, if it is determined to be a health and safety issue.

4. Upgrades

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

5. General Property Improvements

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

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

6. Rehabilitation Standards

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

6.3. ELIGIBLE PROJECT COSTS

Examples of eligible project costs for all expenses related to the paperwork for processing and insuring a loan application are listed below. For HOME, these costs are considered activity delivery costs and may not be charged to the homeowner's loan.

- Appraisal
- Property Report/Title Insurance
- Building Plan
- Termite Report
- Land Survey
- Grading Plan
- Recording Fees
- Fire/Course of Construction Insurance
- Flood Insurance, as applicable (not allowed with HOME funds)

Costs are based on charges currently incurred by the Sponsor, or its Program Operator, for these products and/or services. Except for HOME loans, any cost increases charged to the Sponsor/Program Operator for these products and/or services will be passed on to the homeowner and included in the loan. All fees are subject to change and are driven by the market.

6.4. REPAIR CALLBACKS

Contractors will comply with State law regarding all labor and material warranties. All labor and material shall meet FHA minimum specifications.

7.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

7.1. AMENDMENTS

The Sponsor may make amendments to these Participant Guidelines. Any changes made shall be in accordance with federal and state regulations, shall be approved by the Sponsor's Loan Committee and/or local governing body and submitted to HCD for approval.

7.2. EXCEPTIONS

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

7.2.1 PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its Program Operator may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's/Program Operator's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for decision.

8.0. DISPUTE RESOLUTION AND APPEALS PROCEDURES

8.1. PROGRAM COMPLAINT AND APPEAL PROCEDURE

Complaints concerning the Sponsor's Rehabilitation Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Sponsor's Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the committee's decision, a request for an appeal may be filed with the local governing body. Final appeal may be filed in writing with HCD within one year after denial or the filing of the Project Notice of Completion.

8.2. GRIEVANCES BETWEEN PARTICIPANTS AND CONSTRUCTION CONTRACTOR

Contracts signed by the contractor and the participant 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.

ATTACHMENT A
24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

24 CFR Part 5 Annual Income Inclusions

§5.609 Annual income.

(a) *Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. 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) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
- (6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) 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 a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) 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);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) 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;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) 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;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

(d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

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.

ATTACHMENT C

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR BUTTE COUNTY
(HOME Value Limits as of 03/01/2017)**

COUNTY NAME	One-Family
BUTTE	\$245,000

**HOME SUBSIDY LIMITS PER UNIT FOR BUTTE COUNTY
(Limits are effective 5/24/2017)**

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$141,089	\$161,738	\$196,673	\$254,431	\$279,286

**HOUSEHOLD INCOME LIMITS FOR BUTTE COUNTY*
(Limits are effective 06/15/2017)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$35,100	\$40,100	\$45,100	\$50,100	\$54,150	\$58,150	\$62,150	\$66,150

*Sponsor 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 Value, Subsidy, and Income limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

SPONSOR STANDARDS FOR BEDROOM AND BATHROOM ADDITIONS TO ALLEVIATE OVERCROWDING

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

- 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.

The chart above is used as a guide to overcrowding.

ATTACHMENT D HOUSING REHABILITATION MARKETING PLAN

SUMMARY

The Sponsor will continue its efforts to market the Housing Rehabilitation Program in a manner that will reach all community members.

All marketing related to the Housing Rehabilitation Program is publicized in English. All marketing materials include information identifying the Sponsor's commitment to fair housing laws and affirmative marketing policy, and are widely distributed. Equal opportunity is emphasized in written materials and oral presentations. A record is maintained by the Sponsor identifying what marketing materials are used, and when and where they are distributed.

Forms of marketing may include fliers, brochures, newspaper ads, articles and public service announcements. Fliers and brochures are distributed at local government buildings, other public buildings and through the mail, as well as to businesses that assist those not likely to apply without special outreach. Advertisements and articles are published in newspapers that are widely circulated within the community.

Established working relationships with local lending agencies also aid in informing the public by facilitating the distribution of informational fliers to households seeking financial assistance for repairs that are unable to obtain conventional financing.

Informational meetings are offered to potential participants to explain Program requirements. Often, minimal formal outreach efforts are required as the need for assistance generally exceeds funds available. However, marketing measures are actively performed in order to maintain a healthy interest list.

Characteristics on all applicants and participants are collected and compared with the Sponsor's demographics. Should the Sponsor find that there are underserved segments of the population, a plan to better serve them will be developed and implemented.

MARKETING FORMS

- Fliers
- Brochures
- Newspaper Ads and Articles
- Public Service Announcements
- Public Informational Meetings

MARKETING VENUES

- Local Government Buildings
- Local Public Services Buildings
- Private Businesses
- Lending Agencies
- Real Estate Offices
- Newspaper
- Radio
- Mail

ATTACHMENT E
RESIDENTIAL ANTI-DISPLACEMENT AND TEMPORARY RELOCATION PLAN
Version 2

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 these or other federal funding source. Having been developed in response to both aforesaid federal legislations, this Plan is intended to inform the public of the compliance of the Town of Paradise (Sponsor) 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 Sponsor will take to minimize displacement and ensure compliance with all applicable federal and state relocation requirements. The Sponsor’s governing body 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 Sponsor’s jurisdiction limits.

The Sponsor will provide permanent relocation benefits to all eligible “displaced” owner-occupied units which are permanently displaced by the housing rehabilitation program (**See Section E below.**). In addition, the Sponsor will replace all eligible occupied and vacant occupiable low-income group dwelling units demolished or converted to a use other than low income group 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 Sponsor programs/projects will be implemented in ways consistent with the Sponsor’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 Sponsor will provide equal relocation assistance available 1) to each targeted income group household displaced by the demolition or rehabilitation of housing or by the conversion of a targeted income group dwelling to another use as a direct result of assisted activities; and 2) to each separate class of targeted income group persons temporarily relocated as a direct result of activities funded by HUD programs.

A. 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 Sponsor will take the following steps to minimize the displacement of persons from their homes during housing rehabilitation or reconstruction funded by HUD programs:

1. Provide proper notices with counseling and referral services so that they understand their relocation rights and receive the proper benefits. When necessary assist permanently displaced persons to find alternate housing in the neighborhood.
2. Stage rehabilitation of assisted households to allow occupants to remain during minor rehabilitation.

3. Work with area landlords, real estate brokers, and/or hotel/motel managements to locate vacancies for households facing temporary relocation.
4. 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.

B. 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 occupant(s) be present in work areas or designated adjacent areas while LHC activities are taking place in any dwelling unit interior, common area, or exterior.** As such, occupants may not be allowed to remain in their units during the time that lead-based paint hazards are being created or treated. Once work that causes lead hazards has been completed, and the unit passes clearance, the occupants can return. The final rule allows for certain exceptions: programs:

1. The work will not disturb lead-based paint, or create dust-lead or soil-lead hazard; or
2. The work is on exterior only and openings are sealed to prevent dust from entering the home, the work area is cleaned after the work is completed, and the residents have alternative lead free entry; or
3. The interior work will be 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 home; or
4. The interior work will be completed within five (5) calendar days, the work site is contained to prevent the release of dust, the worksite and areas within 10 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 Sponsor believes that the project meets one of the above criteria, then proper documentation must be provided in the rehabilitation project file to show compliance. It is up to the Sponsor to ensure that the occupants in the project does not get impacted by lead paint mitigation efforts. In most cases where lead paint mitigation is taking place, occupants will be 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.

C. 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 home 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 will not allow the family to access a bath or kitchen facility, or if the unit is being demolished and reconstructed, then the family 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 will be 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 (**See Appendix C**) 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.

D. Temporary Relocation of Residential Tenants (in an owner-occupied unit):

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 will make determination of the need for temporary relocation. The temporary relocation period will not exceed 180 days. All conditions of temporary relocation will be reasonable. Any tenant required to relocate temporarily will be 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 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 specialist will ensure that each tenant-occupied unit under the Program will receive a General Information Notice (GIN) (as soon as possible after a loan application is received) and the tenant will receive a Notice of Non-displacement (after loan approval), and each tenant-occupied unit will have a temporary relocation benefits form completed for them. (**See Appendix C**). These notices will document that 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 shall receive the following:

1. Increased housing costs (e.g. rent increase, security deposits) and
2. Payment for moving and related expenses, as follows:
 - a. Transportation of the displaced persons and personal property within 50 miles, unless the grantee determines that farther relocation is justified;
 - b. Packing, crating, unpacking, and uncrating of personal property;
 - c. Storage of personal property, not to exceed 12 months, unless the grantee determines that a longer period is necessary;
 - d. Disconnection, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property;
 - e. Insurance for the replacement value of personal property in connection with the move and necessary storage;
 - f. 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;
 - g. Reasonable and necessary costs of security deposits required to rent the replacement dwelling;
 - h. Any costs of credit checks required to rent the replacement dwelling;

- i. Other moving related expenses as the grantee determines to be reasonable and necessary, except the following ineligible expenses:
 - 1) Interest on a loan to cover moving expenses; or
 - 2) Personal injury; or
 - 3) Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before the Grantee; or
 - 4) Costs for storage of personal property on real property already owned or leased by the displaced person before the initiation of negotiations.

E. Rehabilitation Activities Requiring Permanent Displacement

The Sponsor's rehabilitation program will 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 rehabilitation program will consult with Sponsor'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 will be 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.

F. Rehabilitation Which Triggers Replacement Housing

If the Sponsor's rehabilitation 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 Sponsor is required to replace those lost units. An example of this would be a duplex unit which is converted into a single family unit. In all cases where rehabilitation activities will reduce the number of housing units in the jurisdiction, then the Sponsor must document that any lost 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 a rehabilitation program where the existing unit(s) is demolished and replaced with a structure equal in size without in loss number of units or bedrooms.)

Replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the Sponsor to provide funds for an activity that will directly result in such demolition or conversion, the Sponsor will make this activity public (through a noticed public hearing and/or publication in a newspaper of general circulation) and submit to the California Department of Housing and Community Development or the appropriate federal authority the following information in writing:

1. A description of the proposed assisted activity;
2. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as targeted income group dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The location on a map and the approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of the replacement dwelling units;
6. The basis for concluding that each replacement dwelling unit will remain a targeted

income group dwelling unit for at least 10 years from the date of initial occupancy; and,

7. Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units) is consistent with the housing needs of targeted income group households in the jurisdiction.

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

G. Record Keeping and Relocation Disclosures/Notifications

The Sponsor will maintain records of occupants of federally funded rehabilitated, reconstructed or demolished property from the start to completion of the project to demonstrate compliance with section 104(d), URA and applicable program regulations. Each rehabilitation project, which dictates temporary or permanent or replacement activities, will have 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 will include reasonable advance written notice of (a) the date and approximate duration of the temporary relocation; (b) the address of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period; (c) the terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling.

Notices shall be 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) will be provided with appropriate translation/communication. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions or other needed help. The notices and process below is for only temporary relocation. If permanent relocation is involved then other sets of notice and noticing process and relocation benefits must be applied (See HUD relocation handbook 1378 for those forms and procedures) The Temporary Relocation Advisory Notices to be provided are as follows:

1. General Information Notice: As soon as feasible when an owner is applying for Federal financing for rehabilitation, reconstruction, or demolition, any tenant of a housing unit will be mailed or hand delivered a General Information Notice that the project has been proposed and that the tenant will be able to occupy his or her present unit upon completion of rehabilitation. The tenant will be informed that the rent after rehabilitation will not exceed current rent or 30 percent of his or her average monthly gross household income. The tenant will be informed that if he or she is required to move temporarily so that the rehabilitation can be completed, suitable housing will be made available and he or she will be reimbursed for all reasonable extra expenses. The tenant will be cautioned that he or she will not be provided relocation assistance if he or she decides to move for personal reasons. **See Appendix A for sample notice to be delivered personally or by certified mail.**
2. Notice of Non Displacement: As soon as feasible when the rehabilitation application has been approved, the tenant will be informed that they will not be permanently displaced and that they are eligible for temporary relocation benefits because of lead based paint mitigation or substantial rehabilitation, or reconstruction of their unit. The tenant will also again be cautioned not to move for personal reasons during rehabilitation, or risk losing relocation

assistance. **See Appendix B for sample notice to be delivered personally or by certified mail.**

3. Disclosure to Occupants of Temporary Relocation Benefits: This form is completed to document that the Sponsor is following its adopted temporary relocation plan for owner occupants and tenants. **See Appendix C for a copy of the disclosure form.**
4. Other Relocation/Displacement Notices: The above three notices are required for temporary relocation. If the Sponsor 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 and ensure that all the proper notices are provided for persons who are permanently displaced as a result of housing rehabilitation activities funded by CDBG or other federal programs.

APPENDIX A

Dear _____,

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.

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)

APPENDIX B

(date)

Dear _____:

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 and title)

APPENDIX C

DISCLOSURE TO OCCUPANT OF TEMPORARY RELOCATION BENEFITS

Top to be completed at time of loan application submittal or Home Visit

Property Address: _____
 __ Rental Unit __ Owner-Occupied Unit

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

I/we have been advised that the City/County of _____ 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 City/County of _____ 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 rehab specialist.
- ____ Relocate furnishings only into a temporary storage unit.

____ 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

ATTACHMENT F
LOAN SERVICING POLICIES AND PROCEDURES
FOR THE TOWN OF PARADISE

The Town of Paradise, hereafter called “Sponsor,” has adopted these policies and procedures in order to preserve its financial interest in properties, whose “Borrowers” have been assisted with public funds. The Sponsor will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Sponsor 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) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Sponsor will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly date.

For Notes which are deferred payment loans, the Sponsor must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, Borrower must maintain property insurance coverage naming the Sponsor as loss payee. Except for HOME-funded loans, if Borrower fails to maintain the necessary insurance, the Sponsor may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When a property is located in a 100-year floodplain, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance naming the Town as a lender loss payee will be required at close of escrow. The Sponsor will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the Sponsor may pay the taxes current and add the

balance of the tax payment plus any penalties to the balance of the loan (not permissible when funded with HOME). Wherever possible, the Sponsor 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.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Sponsor's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Sponsor's loan. This document requires any senior lienholder listed in the notice to notify the Sponsor of initiation of a foreclosure action. The Sponsor will then have time to contact the Borrower and assist them in bringing the first loan current. The Sponsor 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 Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans the Sponsor may require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. For CDBG, some loans may have income and housing cost evaluations, which require a household to document that they are not able to make repayments, typically every five years. These loan terms are incorporated in the original note and deed of trust. On HOME-funded loans, annual occupancy verification will occur between January 1st and 15th of each year for the term of the loan.

5. 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, the Borrower must notify the Sponsor in writing of any change. Sponsor 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 home 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. In some cases the Borrower may move and turn the property into a rental unit without notifying the Sponsor. 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. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Sponsor's Loan Committee (depends on the HCD program).

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 property and is not low-income, the balance of the loan is due and payable. All such changes are subject to the review and approval of the Sponsor's Loan Committee.

If the owner converts any assisted unit from owner-occupied to rental, the loan is due in full.

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 Sponsor 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.

6. Requests for Subordinations:

When a Borrower wishes to refinance the property, they must request a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the housing cost of the household with a lower interest rate and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

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

When a senior lienholder starts a foreclosure process and the Sponsor is notified via a Request for Notice of Default, the Sponsor, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Sponsor must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case, then the Sponsor 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 Sponsor 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 lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Sponsor does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Sponsor can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

Sponsor as Senior Lienholder

When the Sponsor is first position as a senior lienholder, active collection efforts will begin on any

loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor'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 the Borrower refinance with a private lender and pay off the Sponsor?
- 3) Can the Borrower sell the property and pay off the Sponsor?
- 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 home "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 Sponsor may opt to initiate foreclosure. The 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 Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor 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 lienholders. The service will advise the Sponsor 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 Sponsor informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Sponsor could contract with a local real estate broker to list and sell the home and use those funds for Program income-eligible uses.

ATTACHMENT G

TOWN OF PARADISE'S FORECLOSURE POLICY

Sponsor As Junior Lienholder

It is the Town of Paradise's (Sponsor'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 lienholder to notify the Sponsor of initiation (recording of a "Notice of Default") of a foreclosure only. This is to alert the junior lienholder that they are to monitor the foreclosure with the senior lienholder. When the Sponsor is in a third position and receives notification of foreclosure from only one senior lienholder, it would be in their best interest to contact both senior lienholders regarding the status of their loans.

The junior lienholder may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount must be obtained by contacting the senior lienholder. 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 Sponsor has the information on the reinstatement amount, staff must then determine if it is cost effective to protect their position by reinstating the senior lienholder, 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 home for marketing, paying for yard maintenance, paying a real estate broker a sales commission).

If the Sponsor decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Sponsor fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Sponsor determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Sponsor's lien may be eliminated due to insufficient sales proceeds.

Sponsor As Senior Lienholder

When the Sponsor is in a first position, or the senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Sponsor may consider foreclosure. Sponsor staff will consider the following factors before initiating foreclosure:

- 1) Can the loan be cured (brought current or paid off) by the owner without foreclosure?
- 2) Can the owner refinance with a commercial lender and pay off the Sponsor?
- 3) Can the owner sell the property and pay off the Sponsor?
- 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 home "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 Sponsor may opt to initiate foreclosure. The owner 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 Sponsor to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Sponsor 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 lienholders. The service will advise the Sponsor 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 Sponsor informed of the progress of the foreclosure proceedings. When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Sponsor would then contact a real estate broker to market the home.

**ATTACHMENT H
CERTIFICATION OF OCCUPANCY**

TOWN OF PARADISE

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: _____

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: _____

Occupant: _____

**ATTACHMENT I
LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM**

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, and 6. If paint stabilization is performed, also fill out Sections 4 and 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 and common areas and building components (including type of room or space, and the material underneath the paint).			
Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/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 <i>hazards</i> are presumed to be present <input type="checkbox"/>			
Attachment B: Summary of Presumption: For multi-family housing, list at least the housing unit numbers and common areas, bare soil locations, dust-lead location, and or building components (including type of room or space, and 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, and 6. Provide to occupant w/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 and common areas (for multifamily housing), bare soil locations, dust-lead locations, and/or building components (including type of room or space, and the material underneath the paint), and 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 and Acknowledgement of Receipt of pamphlet <i>Protection Your Family from Lead in Your Home</i>.			
Printed Name:		Signature:	Date:
Section 6: Contact Information		Organization:	
Contact Name:		Contact Signature:	
Date:	Address:	Phone:	

TOWN OF PARADISE

HOMEBUYER ACQUISITION ONLY/ ACQUISITION WITH REHABILITATION PROGRAMS (HOME and CDBG)

PROGRAM GUIDELINES



HCD Version 6/2017

CDBG Approved (date)
HOME Approved 09/21/17
COUNCIL Approved (date)

TOWN OF PARADISE HOMEBUYER PROGRAM GUIDELINES

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**TOWN OF PARADISE
HOMEBUYER PROGRAM GUIDELINES**

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TOWN OF PARADISE HOMEBUYER PROGRAM GUIDELINES

Adopted October 10, 2017

1.0. GENERAL

The Town of Paradise, hereinafter referred to as the “Sponsor,” has entered into a contractual relationship with the California Department of Housing and Community Development (“HCD”) to administer one or more HCD-funded homebuyer programs. The homebuyer program described herein (the “Program”) is designed to provide assistance to eligible homebuyers in purchasing homes, also referred to herein as “housing units”, located within the Program’s eligible area, as described in Section 3.1.A. The Program provides this assistance in the form of deferred payment “silent” second priority loans as “Gap” financing toward the purchase price and closing costs of affordable housing units that will be occupied by the homebuyers as their primary residence. The Program will be administered by the Town of Paradise, (the “Program Operator”).

1.1. PROGRAM OUTREACH AND MARKETING

All outreach efforts will be 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 or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

- A. The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be 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, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.

- B. The Program Operator will work with local real estate agents and primary lenders to explain the Program requirements for eligible housing units and homebuyers, and to review Program processes. Local real estate agents and primary lenders will also be encouraged to have their customers participate in the Program.

- C. 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 Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

1.2. APPLICATION PROCESS

- A. The Sponsor maintains a waiting list of applicants when funds are unavailable. Each applicant is asked to complete an application form, which asks for sufficient information concerning income, employment, and credit history to establish preliminary eligibility for Program participation. Completed applications are processed on a first-come-first-served basis. Applications are deemed complete only if all information is completed, the application is signed and dated, and a primary lender's pre-qualification letter is attached to the application. Incomplete applications are returned to the applicant and will not be date/time stamped until complete.
- B. The Sponsor will prequalify the applicant's Program eligibility based on the information provided, and the potential homebuyer is given a "Preliminary Eligibility Letter" for the Program along with the following forms: Attachment (G) Instructions to Home Buyer, a list of up-coming homebuyer workshops, Attachment (E) Sellers Lead-Based Paint Disclosure and the EPA Booklet (Protect Your Family from Lead in Your Home) and (F) Notice to Seller.

If the Program Operator encounters material discrepancies and/or misrepresentations, and/or there is income, asset, household composition, or other important questions that can't be resolved, the Sponsor reserves the right to deny assistance to the household. In this case, the applicant may re-apply after six months have elapsed from the time of written assistance denial.

- C. Each applicant must participate in a homebuyer workshop provided by the Program Operator or neighboring jurisdiction and receive a certificate of completion.

1.3. THE HOME PURCHASE PROCESS

- A. The following is a simplified example of how a primary lender would analyze a homebuyer's finances to determine how much the homebuyer could afford to borrow from the primary lender towards homeownership.

**DEBT SERVICE
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH**

HOUSING PAYMENTS		TOTAL OVERALL PAYMENTS
Principal & Interest Payment	\$ 865	\$1,180 Housing
Insurance	82	+200 Other Debt Service
Taxes	<u>233</u>	\$1,380 Total Debt Service
Total Housing Expense (PITI is 35% of \$3,388)	\$1,180	(Overall debt service per month is 41% of \$3,388)

OTHER HOUSEHOLD DEBT SERVICE

Car Payment	\$ 150
Credit Card Payment	<u>50</u>
Total Other Debt	\$ 200

A \$865 per month loan payment equates to borrowing \$143,000 at 5.88% for a 30 year term.

**SUBSIDY CALCULATION
FOR A FAMILY OF FOUR EARNING \$3,388 PER MONTH**

Purchase Price of Property	\$ 180,000
Less Primary loan amount	143,000
Less down payment of 2%	<u>3,600</u>
 Equals “GAP”	 \$ 33,400
 Plus estimated allowable settlement charges	 <u>5,400</u>
 Equals Total Subsidy	 \$ 38,800

- B. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit (see Section 3.0), homebuyer shall provide seller with a disclosure containing the following provisions:
- 1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
 - 2) Homebuyer’s offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;
 - 3) The housing unit will be subject to inspection. The housing unit must comply with local codes at the time of construction and local health and safety standards.
 - 4) All housing units built prior to January 1, 1978 will require a lead paint disclosure to be signed by both the homebuyer and Seller (Attachment E);

- 5) Since the purchase would be voluntary, the seller would not be eligible for relocation payments or other relocation assistance;
 - 6) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, or vacant for three months prior to submission of the purchase offer.
 - 7) If the seller is not provided with a statement of the above six provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.
- C. Applicant submits executed standard form purchase and sale agreement and primary lender prequalification letter to Program Operator. The purchase and sale agreement will be contingent on the household and housing unit meeting Program eligibility requirements and receiving Program loan approval. Program Operator verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with these guidelines.
- D. Program Operator, where Program Operator is not the Sponsor, submits recommendation to the Sponsor for approval or denial, including the reasons for the recommendation. Sponsor determines Applicant's approval or denial, and instructs Program Operator to notify Applicant. Program Operator provides written notification to Applicant of approval or denial with reason and, if denied, a copy of the Program's appeal procedures.
- E. When Primary Lender requirements are met, Program funds are deposited into escrow, with required closing instructions and loan documents.
- F. At the time of escrow closing, the Sponsor shall be named as an additional loss payee on fire, flood (if required), and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit. A policy of Title Insurance naming the Sponsor as insured is also required.

1.4. HOMEBUYER COSTS

- A. Eligible households must document that they have the funds necessary for down payment and closing costs as required by the Primary Lender and the Sponsor. The Program's down payment requirement (below) is in place even if the Primary Lender has a lower down payment requirement. If the Primary Lender has a higher down payment requirement, there is no additional down payment requirement required by the Program.
- B. Homebuyer must contribute a minimum down payment of two percent (2%) of the purchase price but may contribute more if desired. These funds can be gifted from a relative; however, institution grants do not count toward the homebuyer's minimum contribution.
- C. Sponsor will not provide a subsidy that is greater than the amount of the primary mortgage. The subsidy will write down the cost of the primary lender's loan so that

the payments of PITI are within approximately 28 to 35% of the gross household income. The Program Operator will determine the level of subsidy and affordability during underwriting of the Program's loan to make sure that it conforms to the requirements of the HCD funding Program.

1.5. HOMEBUYER EDUCATION

Buying a home can be one of the most confusing and complicated transactions anyone can make. Providing the future homebuyer with informative homebuyer education training, can bring success to the Sponsor, Program Operator, the Program and most importantly, the homebuyer. It has been documented that first-time homebuyers that have had homebuyer education have the ability to handle problems that occur with homeownership. All Program participants are required to attend a Sponsor-approved homebuyer education class. The homebuyer education class will cover such topics as the following: preparing for homeownership; available financing; credit analysis; loan closing; homeownership responsibilities; home maintenance; impact of refinancing and loan servicing. Methods of homebuyer counseling and education may include, but are not limited to: one-on-one counseling between homebuyer, counselor and family/individual and/or group workshops and informational sessions. Tools of instruction may include fliers, brochures, power point presentations, worksheets, etc.

1.6. CONFLICT OF INTEREST REQUIREMENTS

When the Sponsor's program contains Federal funds, the applicable Conflict of Interest requirements of 24 CFR Section 570.611 shall be followed for CDBG assistance. Section 92.356 of the HOME Final Rule shall be followed for HOME assistance, as follows:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR

92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HUD.

A contractor with a vested interest in the property cannot bid on a rehabilitation job. Such a contractor may act as owner/builder, subject to standard construction procedures. Owner/builders are reimbursed for materials purchased which are verified by invoice/receipt and used on the job. Reimbursement occurs after the installation is verified by the Program Operator to be part of the scope of work. Owner/builders are not reimbursed for labor.

1.7. NON-DISCRIMINATION REQUIREMENTS

The Program will be implemented in ways consistent with the Sponsor's commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any program or activity funded in whole or in part with State funds on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry, or other arbitrary cause.

2.0 APPLICANT QUALIFICATIONS

2.1. CURRENT INCOME LIMITS FOR THE AREA, BY HOUSEHOLD SIZE

All applicants must certify that they meet the household income eligibility requirements for the applicable HCD program(s) and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the County's area median income (AMI), adjusted for household size, as published by HCD. (Attachment C).

Household: Means one or more persons who will occupy a housing unit. Unborn children don't count in family size determination.

Annual Income: Generally, the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

2.2. INCOME QUALIFICATION CRITERIA

Projected annual gross income of the applicant household will be 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 at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's annual gross income. The Program Operator should compare this annual gross income to the income the Primary Lender used when qualifying the household. The Primary Lender is usually underwriting to FHA or conventional guidelines and may not calculate the household income or assets in the same way as required by the Program. Income will be 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 shall be dated within six

months prior to loan closing and kept in the applicant 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 will be used to determine program eligibility. Refer to Income Inclusions and Exclusions for further guidance to the types of incomes to be included or excluded when calculating gross annual income. For those types of income counted, gross amounts (before any deductions have been taken) are used. Two types of income that are not considered would be income of minors and live-in aides. Certain other household members living apart from the household also require special consideration. The household's projected ability to pay must be used, rather than past earnings, when calculating income.

The link to Annual Income Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment A: 24 CFR Part 5 Annual Income Inclusions and Exclusions

B. ASSETS:

There is no asset limitation for participation in the Program. Income from assets, however, is 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 savings 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, for example, 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.

The Link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

See Attachment B: Part 5 Annual Income Net Family Asset Inclusions and Exclusions

2.3. DEFINITION OF AN ELIGIBLE HOMEBUYER

For CDBG, an eligible homebuyer means an individual or individuals or an individual and his or her spouse who meets the income eligibility requirements and is/are not currently on title to real property. Persons may be on title of a manufactured home unit, who are planning to sell the unit as part of buying a home located on real property. Documentation of

homebuyer status will be required for all homebuyers. CDBG-funded programs may assist eligible homebuyers who are not “first-time” homebuyers.

HOME-funded Programs are required to use the following definition of an eligible homebuyer, which is a “first-time homebuyer” from 8201(1) Title 25 California Code of Regulations:

“First-time homebuyer” means an individual or individuals or an individual and his or her spouse who have not owned a home during the three-year period before the purchase of a home with subsidy assistance, except that the following individual or individuals may not be excluded from consideration as a first-time homebuyer under this definition:

1. a displaced homemaker who, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. A displaced homemaker is an adult who has not, within the preceding two years, worked on a full-time basis as a member of the labor force for a consecutive twelve-month period and who has been unemployed or underemployed, experienced difficulty in obtaining or upgrading employment and worked primarily without remuneration to care for his or her home and family;
2. a single parent who, while married, owned a home with his or her spouse or resided in a home owned by the spouse. A single parent is an individual who is unmarried or legally separated from a spouse and has one or more minor children for whom the individual has custody or joint custody or is pregnant; or
3. an individual or individuals who owns or owned, as a principal residence during the three-year period before the purchase of a home with assistance, a dwelling unit whose structure is:
 - a. not permanently affixed to a permanent foundation in accordance with local or state regulations; or
 - b. not in compliance with state, local, or model building codes and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

3.0. HOUSING UNIT ELIGIBILITY

3.1. LOCATION AND CHARACTERISTICS

- A. Housing units to be purchased must be located within the eligible area. The eligible area is described as follows: “Within the Town limits of Paradise.”
- B. Housing unit types eligible for the homebuyer Program are new or previously owned single-family residences; condominiums; or manufactured homes in common-interest developments or on a single-family lot and placed on a permanent foundation system. HOME does not allow manufactured homes unless on a permanent foundation system.
- C. All housing units must be in compliance with State and local codes and ordinances.

- D. Housing units located within a 100 year flood zone will be required to provide proof of flood insurance with an endorsement naming the Town as loss payee in order to close escrow.
- E. Housing must be “modest”, having no more than three bedrooms, two bathrooms, and a two-car garage. Larger homes are acceptable if necessary for the following reasons:
- The family size necessitates additional bedroom(s); or
 - A reasonable accommodation is necessary due to the family’s disability (e.g. an extra bedroom for an aide)

Exceptions for these reasons must be approved by the Loan Committee and must be documented for monitoring purposes.

3.2. CONDITIONS

A. Construction Inspection and Determining Need for Repairs.

Once the participating homebuyer has executed a purchase agreement for a housing unit, and prior to a commitment of Program funds, the following steps must be taken for the housing unit to be eligible for purchase under the Program:

- 1) When the Sponsor’s Program utilizes Federal funds and if the housing unit was constructed prior to 1978 then the lead-based paint requirements of Section 3.2.C will apply.
- 2) The Program Operator, a certified housing inspector, or a Sponsor representative will walk through the housing unit, determine if it is structurally sound, and identify any code related and health and safety deficiencies that need to be corrected. A list of code related repair items will be given to the homebuyers and their Realtor to be negotiated with the seller.

If there are one or more health and safety deficiencies, and/or violations of applicable building codes noted in the written report, the Sponsor will approve the subsidy only if:

- a. Repair prior to close of escrow. The buyer and seller agree to make necessary repairs to the dwelling unit prior to transfer of property ownership at their own expense; or
- b. HOME acquisition and rehabilitation loan. If HOME funds are available, the buyer may use some of the Sponsor’s First-Time Homebuyer loan and other funds to make necessary and other repairs, to a maximum of 100% combined loan-to-value, unless up to 105% based on the purchase transaction. All health and safety hazards and code violations must be addressed under this option. Examples of allowable expenses include, but are not limited to: foundation repair, electrical repair or rewiring, plumbing or sewer repair, roof repair or

replacement, heating and cooling system installation or repair, water damage repair, and repair of structurally-significant damaged wood. Weatherization, energy-related improvements and General Property Improvements are allowable, but General Property Improvements are limited under the HOME Program to a maximum of 15% of the overall rehabilitation cost. Buyers should note that the use of any Program funds for rehabilitation on a home built before 1978 may incur additional lead-based paint testing. Hiring of a contractor and completion of repairs will be conducted in accordance with the section entitled “Acquisition with Rehabilitation Process” below.

3) With the exception of 1)b. above, upon completion of all work required by the Program Operator, Sponsor, appraiser, pest inspector and/or certified housing inspector, a final inspection will be conducted prior to close of escrow. The inspector will sign off on all required construction work assuring that each housing unit receiving Program assistance is in compliance with local codes and health and safety requirements at the time of purchase and prior to occupancy.

B. Per Section 8208 of the State HOME regulations, no additional HOME assistance, including rehabilitation funds, may be provided during the period starting one year following the filing of the Project Completion Report through the end of the Affordability Period.

The HOME Affordability Period is as follows (amount does not include Activity Delivery Costs paid to the State Recipient by HCD):

Amount of HOME Assistance	Period of Affordability in Years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

C. Lead-Based Paint Hazards: All housing units built prior to 1978 for which HOME or CDBG funding is anticipated are subject to the requirements of this section 3.2.C. Such homes must undergo a visual assessment by a person who has taken HUD’s online Visual Assessment course. Deteriorated paint must be stabilized using work safe methods. Clearance must be obtained after paint stabilization by a DHS certified LBP Risk Assessor/Inspector. HOME and CDBG general administrative and activity delivery funds may be used to pay for lead-based paint visual assessments, and if lead mitigation and clearance costs are incurred, these programs may incorporate the costs into the calculation of Program assistance.

The following requirements must be met:

1) **Notification**: a) Prior to homebuyer’s obligation to purchase a pre-1978 home, the Buyer will be given the most recent copy of and asked to read the EPA pamphlet “Protect Your Family From Lead in Your Home”. (EPA 747-K-94-001). A signed receipt of the pamphlet will be kept in the Sponsor’s homebuyer file; b) A notice to residents is required following a risk assessment/inspection using form DHS 8552, which is provided by the DHS-certified Risk Assessor/Inspector; c) a notice to

residents is required following lead-based paint mitigation work using Visual Assessment and Lead-based Paint Notice of Presumption and Hazard Reduction form, LBP – 1 (Attachment H).

- 2) **Disclosure:** Prior to the homebuyer’s obligation to purchase a pre-1978 housing unit, the HUD disclosure (Attachment E), “Seller’s Lead-based Paint Disclosure” notice must be provided by the seller to the homebuyer.
- 3) **Inspections:** The Inspector shall conduct a “Visual Assessment” of all the dwelling unit’s painted surfaces in order to identify deteriorated paint. All deteriorated paint will be stabilized in accordance with CFR 35.1330 (a) and (b); and a Clearance shall be made in accordance with CFR 35.1340.
- 4) **Mitigation:** If stabilization is required, the contractor performing the mitigation work must use appropriately trained workers. Prior to the contractor starting mitigation work the Program Operator shall obtain copies of the contractor’s and workers’ appropriate proof of LBP training, as applicable to the job in order to assure that only qualified contractors and workers are allowed to perform the mitigation.

D. The Program Operator will: 1) confirm that the housing unit is within the eligible area, 2) will review each proposed housing unit to ensure that it meets all eligibility criteria before funding, and 3) ensure a completed Lead Compliance Document Checklist is placed in each purchaser’s file (see Attachment I).

3.3. ACQUISITION WITH REHABILITATION PROCESS

As noted above, when HOME funding is available for First-Time Homebuyer assistance, funds (from all sources) may be used to bring the unit into compliance with health and safety standards and/or to correct code violations. If such repairs are required, a portion of this money may be used to make accessibility modifications for a household member with a disability. Weatherization, energy-related improvements and General Property Improvements are allowable, but General Property Improvements are limited under the HOME Program to a maximum of 15% of the overall rehabilitation cost.

IMPORTANT: No later than six (6) months following close of escrow, repairs to the housing unit must address ALL health and safety and code issues, to be in compliance with HOME regulations; otherwise, the loan becomes due and payable.

If a portion of the Program loan is used for acquisition with rehabilitation, the following process will be followed:

- The buyer will be responsible for obtaining three (3) bids from qualified licensed contractors. The Sponsor’s Program Operator has a list of qualified contractors, or the applicant may solicit bids from other licensed contractors if they meet the standards described below.
- Any funds used for rehabilitation on homes built prior to 1978 will require testing for lead based paint. If the total rehabilitation funds are equal to or less than \$5,000, all surfaces disturbed during rehabilitation and lead hazard reduction must be repaired using safe work practices. If total rehabilitation is between \$5,000 and \$10,000, lead

based paint must either be presumed to be present or testing and risk assessment are required. Lead hazard reduction activities must be conducted using safe work practices. The Sponsor will provide a grant to cover all expenses incurred as a result of lead based paint as noted in the section entitled *Lead Based Paint Standards* below.

- Contractors must hold a current and valid State of California General Contractor's license if the work consists of correction of health and safety issues or code violations. For accessibility modifications, the Sponsor may exercise discretion regarding contractors' requirements. The contractor may not be on the State or Federal debarred contractor lists. The contractor must have current and valid general liability and workmen's compensation insurance if applicable. The contractor must provide a one-year warranty for the work per State regulations.
- The buyer will review the bids with the Program Operator and the Sponsor to ensure that the scope of work will correct any deficiencies, that it only includes allowable expenses and that the bids are reasonable, competitive and complete.
- The applicant will select a contractor from one of the Sponsor's/Program Operator's approved bids. All bidding contractors will be notified of the status of their proposals.
- The applicant will enter into a contract with the contractor (see Attachment J).
- The contractor will be responsible for securing all required permits for the scope of work.
- Work may not commence until the close of the acquisition loan.
- As work progresses, the contractor shall provide the buyer with a completed Payment and Construction Approval form (Attachment K) to request progress payments as outlined in the contract terms. The form must be signed by the contractor, the buyer, the inspector, and the Program Operator before a payment may be issued to the contractor.
- Final payment of a 10% retention will be released to contractor once the contractor submits the following to the Program Operator: (1) lien releases from any subcontractors, material suppliers, and laborers; (2) final or signed off Building Inspection card for contracted work (if applicable); (3) Notice of Completion.

3.4. ANTI-DISPLACEMENT POLICY AND RELOCATION ASSISTANCE

Eligible homes will be those that are currently owner-occupied or have been vacant for three months prior to the acceptance of a contract to purchase. A unit is ineligible if its purchase would result in the displacement of a tenant. It is not anticipated that the implementation of the Program will result in the displacement of any persons, households, or families. However, if tenant-occupied homes are included in the Program and relocation becomes necessary, the activity will be carried out in compliance with Sponsor's relocation plan, which describes how those permanently displaced will be relocated and paid benefits in accordance with the following Federal laws.

A. Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970

The federal URA and Real Property Acquisition Policies, as amended by the URA Amendments of 1987, contains requirements for carrying out real property acquisition or the displacement of a person, regardless of income status, for a project or program for which HUD financial assistance (including CDBG and HOME) is provided. Requirements governing real property acquisition are described in Chapter VIII. The implementing regulations, 49 CFR Part 24, require developers and owners to take certain steps in regard to tenants of housing to be acquired, rehabbed or demolished, including tenants who will not be relocated even temporarily.

B. Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) requires each contractor (CHDO or State Recipient), as a condition of receiving assistance under HOME or CDBG, to certify that it is following a residential anti-displacement plan and relocation assistance plan. Section 104(d) also requires relocation benefits to be provided to low-income persons who are physically displaced or economically displaced as the result of a HOME- or CDBG-assisted project, and requires the replacement of low-income housing, which is demolished or converted. The implementing regulations for Section 104(d) can be found in 24 CFR Part 570(a).

3.5. PROPER NOTIFICATION AND DISCLOSURES

- A. Upon selection of a housing unit, a qualified seller and homebuyer will be given the necessary disclosures for the Program. The homebuyer must have read and signed all Program disclosure forms. Any and all property disclosures must be reviewed and signed by the homebuyer and seller.
- B. All owners who wish to sell their housing units must receive an acquisition notice (Attachment F) prior to submission of the homebuyer's original offer. This notice will be included in the contract and must be signed by all owners on title. The disclosure must contain the items listed in 1.3.B. (required for federally-funded programs).

4.0. PURCHASE PRICE LIMITS

The purchase price limits and appraised post-rehabilitation value for this Program shall not exceed the Maximum HOME Program Purchase Price/After-Rehab Value Limit for Sponsor's County as updated by HCD or HUD.

Note: For HOME-funded Programs the home purchase price of owner-occupied and homebuyer properties must be limited as follows: for HOME- and CDBG-funded Programs the value (with or without rehabilitation) cannot exceed the Maximum Purchase Price/After-Rehabilitation Value Limits as established by HCD and HUD.

Attachment C: MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMITS

*Sponsor will update these limits annually as HCD provides new information.

5.0. THE PRIMARY LOAN

Prior to obtaining a loan from the Sponsor, a homebuyer must provide evidence of financing for the maximum amount the Primary Lender is willing to loan (the “primary loan”).

A. QUALIFYING RATIOS

The front-end (housing) debt-to-income ratio shall be between 28% and 35% and is the percentage of a borrower’s gross monthly income (before deductions) that would cover the cost of the loan principal and interest payment, property taxes, property insurance, mortgage insurance, and HOA dues, if any.

The back-end (total) debt-to-income ratio shall not exceed 45% and is the percentage of a borrower’s gross monthly income that would cover the cost of housing as described in the paragraph above, plus any other monthly debt payments like car or personal loans and credit card debt, as well as child support and alimony payments.

B. INTEREST RATE

The primary loan must have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA. No temporary interest rate buy-downs are permitted.

C. LOAN TYPE AND TERM

The primary loan shall be fully amortized and have a term “all due and payable” in no fewer than 30 years. There shall not be a balloon payment due before the maturity date of the Program loan.

D. IMPOUND ACCOUNT

All households will be required to have impound accounts for the payment of taxes and insurance to ensure they remain current.

6.0. THE PROGRAM LOAN

A. MAXIMUM AMOUNT OF PROGRAM ASSISTANCE

The amount of Program assistance to a homebuyer toward purchase of a home shall not exceed \$40,000 for acquisition only or \$60,000 for acquisition with rehabilitation, shall not exceed the maximum HOME subsidy limit for Sponsor’s County per bedroom per the HCD website at <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml#cdbg> and **shall never exceed the amount of the primary mortgage.** See Attachment C of these Program Guidelines for current limits. Any approved “grant” amount for lead-based paint evaluation and reduction activities or for relocation assistance shall be

included in this amount, as shall Activity Delivery Costs.

B. NON-RECURRING CLOSING COSTS

Non-recurring costs such as credit report, escrow, closing and recording fees, and title report and title insurance, title updates and/or related costs may be included in the Program loan.

C. AFFORDABILITY PARAMETERS FOR HOMEBUYERS

The actual amount of a buyer's Program subsidy shall be computed according to the housing ratio parameters specified in Section 5.0.A.. Each borrower shall receive only the subsidy needed to allow them to become homeowners ("the Gap") while keeping their housing costs affordable. The Program Operator will use the "front-end ratio" of housing-expense-to-income to determine if the amount of the proposed primary loan is acceptable and, ultimately, the Program subsidy amount required, bridging the gap between the acquisition cost (purchase price plus closing costs) less down payment, and the amount of the primary loan.

D. RATE AND TERMS FOR PROGRAM LOAN

All Program assistance to individual households shall be made in the form of deferred payment (interest and principal) loan (DPL).

The Program loan's term shall be for 30 years.

The Program loan's interest rate shall be 3% simple interest. If the loan is still in effect on the anniversary of its 20th year, and providing that the borrower(s) still own and reside in the home as his/her/their principal place of residence, interest accrued during the term of the loan will be forgiven.

All Program loan payments shall be deferred because the borrowers will have their repayment ability fully utilized under the primary loan. Loan principal shall not be forgiven, and the loan period cannot be extended, except for loans that are resubordinated when a rate and term refinance is approved, per Attachment D.

E. COMBINED LOAN-TO-VALUE RATIO

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

7.0. PROGRAM LOAN REPAYMENT

7.1. PAYMENTS ARE VOLUNTARY

Borrowers may begin making voluntary payments at any time.

7.2. RECEIVING LOAN PAYMENTS

- A. Program loan payments will be made to:

**Town of Paradise
Business & Housing Services
5555 Skyway
Paradise, CA 95969**

- B. The Sponsor will be the receiver of loan payments or recaptured funds and will maintain a financial record-keeping system to record payments and file statements on payment status. Payments shall be deposited and accounted for in the Sponsor's Program Income Account, as required by HCD programs. The Program lender will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. All loan payments are payable to the Sponsor. The Sponsor 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.

7.3. DUE UPON SALE OR TRANSFER

In the event that an owner sells, transfers title, or discontinues residence in the purchased property for any reason, the principal balance of the DPL is due and payable, except:

- A. If the owner of the property dies, and the heir to the property meets income requirements, the First-Time Homebuyer definition, and intends to occupy the home as a principal residence, the heir may be permitted, upon approval of the Sponsor, to assume the loan at the rate and terms the heir qualifies for under the current participation guidelines. If the property owner dies and the heir does not meet eligibility requirements, the loan is due and payable.
- B. If an owner wants to convert the property to a rental unit, or any commercial or non-residential use, the loan is due and payable.
- C. The loan will be in default if the borrower fails to maintain required fire or flood insurance or fails to pay property taxes. See Attachment D on loan defaults for further information on property restrictions.

7.4. LOAN SERVICING POLICIES AND PROCEDURES

See Attachment D for local loan servicing policies and procedures. While the attached policy outlines a system that can accommodate a crisis that restricts borrower repayment ability, it should in no way be misunderstood: The loan must be repaid. All legal means to ensure the repayment of a delinquent loan as outlined in the Loan Servicing Policies and Procedures will be pursued.

7.5. LOAN MONITORING PROCEDURES

Sponsor will monitor Borrowers and their housing units annually to ensure adherence to Program requirements including, but not limited to, the following:

- A. Owner-occupancy
- B. Property tax payment
- C. Hazard insurance coverage
- D. Good standing on Primary loans
- E. General upkeep of housing units

8.0. PROGRAM LOAN PROCESSING AND APPROVAL

A. Loan Processing

All homebuyers or their representatives will be sent out an eligibility packet with all the necessary forms, disclosures, information, and application. They should submit a complete application packet with all the Sponsor's Program loan documents executed as well as all the information from the Primary Lender. The Primary Lender should submit: 1) accepted property sales contract with proper seller notification; 2) mortgage application with good faith estimates and first mortgage disclosures; 3) full mortgage credit report and rent verification; 4) current third party income verifications and verifications of assets; 5) homeownership education certificate, if applicable; and 6) signed underwriting transmittal summary and final signed loan application, both from primary lender. Staff will work with local lenders to ensure qualified participants receive only the benefit from the Sponsor's Program needed to purchase the housing unit and that leveraged funds will be used when possible.

B. Creditworthiness

Qualifying ratios are only a rough guideline in determining a potential borrower's creditworthiness. Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower's credit history will be reviewed by the Sponsor and documentation of such maintained in the loan file. The Sponsor may elect to obtain a credit report or rely on a current copy obtained by the primary lender.

C. Documents from Primary Lender

After initial review of the qualified homebuyer's application packet, the Program Operator will request any additional documents needed. Documents may be faxed, but originals shall be received through the mail before Program funds are committed to escrow. Based on receipt and review of the final documents, the Program Operator will do an income certification (using most recent HCD program's guidance on income calculation and determination), and homebuyer certification (review of credit report and income taxes). Documentation of affordability will then be verified and subsidy requirement determined.

D. Disclosure of Program and Loan Information to Homebuyers

The Program's application and disclosure forms will contain a summary of the loan qualifications of the borrower with and without Program assistance. Housing ratios with and without Program assistance are also outlined in these guidelines. Information on the Program's application will be documented with third party verifications in the file. For example, the sales contract will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The Program loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. The Primary Lender's approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. Reviewing the Primary Lender's loan underwriting documentation will provide basic information about the qualification of the applicant and substantiate the affordability provided by the Program loan. By reviewing and crosschecking all the Primary Lender information, the final Program loan amount approved will fall within the affordability parameters of the Program.

8.1. COMPLETION OF UNDERWRITING AND APPROVAL OF PROGRAM LOAN

Once the loan approval package has been completed the Program Operator will submit it to the Sponsor for approval. Sponsor will review the request and may approve it with or without conditions. Upon approval, a final closing date for escrow is set and Program funds are accessed for the homebuyer.

8.2. PRIMARY AND PROGRAM LOAN DOCUMENT SIGNING

The homebuyer(s) sign promissory notes, loan agreements, deeds of trust, and statutory lending notices (Truth In Lending (TIL), etc.); the Deeds of Trust are recorded with the County Clerk/Recorder at the same time, and the request(s) for copy of Notice of Default are also recorded with the County Clerk/Recorder.

8.3. ESCROW PROCEDURES

The escrow/title company shall review the escrow instruction provided by the Program lender and shall issue a California Land Title Association (CLTA) and the American Land Title Association (ALTA) after closing. The CLTA policy is issued to the homebuyer and protects them against failure of title based on public records and against such unrecorded risks as forgery of a deed. The ALTA is issued to each lender providing additional coverage for the physical aspects of the property as well as the homebuyer's title failure. These aspects include anything which can be determined by only physical inspection, such as correct survey lines; encroachments; mechanics liens; mining claims and water rights. The Program lender instructs the escrow/title company in the escrow instructions as to what may show on the policy; the amount of insurance on the policy (all liens should be covered) and the loss payee (each lender should be listed as a loss payee and receive an original ALTA).

9.0. SUBORDINATE FINANCING

Subordinate loans may be used to cover mortgage subsidy costs that exceed the Program maximum loan amount. All subordinate liens must have the payments deferred and the term must be for at least as long as the term of the Program loan.

10.0. EXCEPTIONS AND SPECIAL CIRCUMSTANCES

The Sponsor may make amendments to these Participation Guidelines. Any changes shall be made in accordance with regulations and approved by the Sponsor's Loan Committee and/or governing body after proposed changes are approved by applicable HCD Contract Management Representative(s).

10.1. DEFINITION OF EXCEPTION

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

10.2. PROCEDURES FOR EXCEPTIONAL CIRCUMSTANCES

- A. The Sponsor or its agent may initiate consideration of an exception and prepare a report. This report shall contain a narrative, including the Sponsor's recommended course of action and any written or verbal information supplied by the applicant.
- B. The Sponsor shall make a determination of the exception based on the recommendation of the Program Operator. The request can be presented to the Sponsor's loan committee and/or governing body for a decision.

11.0. DISPUTE RESOLUTION AND APPEALS PROCEDURE

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting with the Loan Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.

ATTACHMENT A
24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

24 CFR Part 5 Annual Income Inclusions

§5.609 Annual income.

(a) *Annual income* means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

(1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. 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) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) *Welfare assistance payments.*

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) 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 a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

- (8) (i) Amounts received under training programs funded by HUD;
- (ii) 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);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) 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;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs 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;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) 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;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- (16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.
- (d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B

PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

This table presents the Part 5 asset inclusions and exclusions as stated in the HUD Technical Guide for Determining Income and Allowances for HOME Program (Third Edition; January 2005).

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.

ATTACHMENT C

**MAXIMUM PURCHASE PRICE/AFTER-REHAB VALUE LIMIT FOR BUTTE COUNTY
(HOME Value Limits as of 3/1/2017)**

EXISTING CONSTRUCTION	NEW CONSTRUCTION (less than 12 months old)
\$245,000	\$245,000

]

**HOME SUBSIDY LIMITS PER UNIT FOR BUTTE COUNTY
(Limits are effective 5/24/2017)**

O-BDR	1-BDR	2-BDR	3-BDR	4-BDR
\$141,089	\$161,738	\$196,673	\$254,431	\$279,286

**INCOME LIMITS FOR BUTTE COUNTY*
(Limits became effective 6/15/17)**

<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
80% of AMI	\$35,100	\$40,100	\$45,100	\$50,100	\$54,150	\$58,150	\$62,150	\$66,150

**SPONSOR STANDARDS FOR BEDROOMS AND BATHROOMS TO PREVENT
OVERCROWDING**

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

- Children may share a bedroom, up to 2 children per bedroom.
- Children shall be permitted a separate bedroom from their parents.
(See additional guidance on next page)
- Adults not in a partner relationship may have their own bedroom.
- 4 or more people – a second bathroom is allowable.
- 8 or more people – a third bathroom is allowable.
- Same rules apply to mobile home units.

The chart above is used as a guide to overcrowding.

**ATTACHMENT D
LOAN SERVICING POLICIES AND PROCEDURES
FOR TOWN OF PARADISE**

The Town of Paradise, hereafter called "Lender," has adopted these policies and procedures in order to preserve its financial interest in properties whose "Borrowers" have been assisted with public funds. The Lender will to the greatest extent possible follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender 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 following 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) required noticing and process for requesting a subordination during a refinance; 7) processing of foreclosure in case of default on the loan.

1. Loan Repayments:

The Lender will collect monthly payments from those borrowers who are obligated to do so under Notes which are amortized promissory notes. Late fees will be charged for payments received after the assigned monthly due date.

For Notes which are deferred payment loans, the Lender must accept voluntary payments on the loan. Loan payments will be credited to principal. The Borrower may repay the loan balance at any time with no penalty.

2. Payment of Property Taxes and Insurance:

As part of keeping the loan from going into default, borrower must maintain property insurance coverage naming the Lender as loss payee. Except for HOME-funded loans, if Borrower fails to maintain the necessary insurance, the Lender may take out force placed insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be 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, the Borrower will be required to carry the necessary flood insurance. A certificate of insurance for flood and for standard property insurance with an endorsement naming the Town as lender loss payee will be required at close of escrow. The lender will verify the insurance on an annual basis.

Property taxes must be kept current during the term of the loan. If the Borrower fails to maintain payment of property taxes then the lender may pay the taxes current and add the balance of the tax payment plus any penalties to the balance of the loan (not permissible when funded with HOME). Wherever possible, the Lender 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.

3. Required Request for Notice of Default:

When the Borrower's loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lienholder listed in the notice to notify the lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist them in bringing the first loan current, if possible. The Lender 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 Lender is in a third position and receives notification of foreclosure from only one senior lienholder, it is in their best interest to contact any other senior lienholders regarding the status of their loans.

4. Annual Occupancy Restrictions and Certifications:

On owner-occupant loans, the Lender will require that Borrowers submit utility bills and/or other documentation annually to prove occupancy during the term of the loan. For CDBG, some loans may have income and housing cost evaluations, which require a household to document that they are not able to make amortized loan payments, typically every five years. These loan terms are incorporated in the original Note and Deed of Trust. On HOME-funded loans, annual occupancy verification will occur between January 1 and 15 of each year for the term of the loan

5. 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, the Borrower must notify the Lender in writing of any change. Lender 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 home 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. In some cases, the Borrower might move and turn the property into a rental unit without notifying the Lender. 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. When a new owner-occupant is not low-income, the loan is not assumable and the loan balance is immediately due and payable. If the new owner-occupant qualifies as low-income, the purchaser may either pay the loan in full or assume all loan repayment obligations of the original owner-occupant, subject to the approval of the Lender's Loan Committee (depends on the HCD program).

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 property and is not low-income, the balance of the loan is due and payable. For CDBG only, if the heir intends to act as an owner-investor (not permitted under HOME), the balance of the loan may be converted to an owner/investor interest rate and loan term and a rent limitation agreement is signed and recorded on title. All such changes are subject to the review and approval of the Lender's Loan Committee.

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 in full.

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 Lender 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.

6. Requests for Subordinations:

When a Borrower wishes to refinance their existing first mortgage, they must submit a subordination request to the Sponsor. The Sponsor will subordinate their loan only when there is no "cash out" as part of the refinance. No cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt payoffs or additional encumbrances on the property above

traditional refinance transaction costs. The refinance should lower the existing housing cost of the household. The total indebtedness on the property should not exceed the current market value except when the borrower is obtaining a HARP II or other similar federally approved refinance loan. If the HARP II or other similar financing is approved and meets all other requirements, combined Loan-To-Value will not be considered when reviewing the subordination request.

Also, the loan must:

1. be fully amortized and have a fixed interest rate that does not exceed the current market rate, as established by an index identified in the most recent NOFA;
2. not have a temporary interest rate buy-down;
3. have a term "all due and payable" that matures prior to or concurrently with the maturity date of the Promissory Note. Therefore, the maturity date of the existing Promissory Note should be modified to coincide with the maturity date of the new first mortgage; and,
4. not have a balloon payment due before the maturity date of the Program loan.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the loan committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Sponsor.

7. Process for Loan Foreclosure:

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

When a senior lienholder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender, who is the junior lienholder, may cancel the foreclosure proceedings by "reinstating" the senior lienholder. The reinstatement amount or payoff amount must be obtained by contacting the senior lienholder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lienholder current, the Borrower can provide future payments. If this is the case then the Lender 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 Lender 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 lienholder in total and restructure the debt such that the unit is made affordable to the Borrower. If the Lender does not have sufficient funds to pay the senior lienholder in full, then they may choose to cure the senior lienholder and foreclose on the property themselves. As long as there is sufficient value in the property, the Lender can afford to pay for the foreclosure process and pay off the senior lienholder and retain some or all of their investment.

If the Lender decides to reinstate, the senior lienholder will accept the amount to reinstate the loan up until five (5) days prior to the set "foreclosure sale date." This "foreclosure sale date" usually occurs about four (4) to six (6) months from the date of recording of the "Notice of Default." If the Lender fails to reinstate the senior lienholder before five (5) days prior to the foreclosure sale date, the senior lienholder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lienholder to complete foreclosure, the Lender's lien may be eliminated due to insufficient sales proceeds.

Lender as Senior Lienholder

When the Lender is first position as a senior lienholder, active collection efforts will begin on any loan that is 31 or more days in arrears. Attempts will be made to assist the homeowner in bringing and keeping the

loan current. These attempts will be conveyed in an increasingly urgent manner until loan payments have reached 90 days in arrears, at which time the Lender may consider foreclosure. Lender'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 the Borrower refinance with a private lender and pay off the Lender?
- 3) Can the Borrower sell the property and pay off the Lender?
- 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 home "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 Lender may opt to initiate foreclosure. The 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 Lender to prevent foreclosure (such as, funds to bring a delinquent BMIR current or pay off a DPL).

At the end of thirty days, the Lender 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 lienholders. The service will advise the Lender 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 Lender informed of the progress of the foreclosure proceedings.

When the process is completed, and the property has "reverted to the beneficiary" at the foreclosure sale, the Lender could sell the home themselves under a homebuyer program or use it for an affordable rental property managed by a local housing authority or use it for transitional housing facility or other eligible use. The Lender could contract with a local real estate broker to list and sell the home and use those funds for program income eligible uses.

**ATTACHMENT E
SELLERS LEAD-BASED PAINT DISCLOSURE**

**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

- (ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) ___ Seller has provided the purchaser with all available records and reports pertaining to Lead-based paint and/or lead-based paint hazards in the housing (list documents below).

- (ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) ___ Purchaser has received copies of all information listed above.
- (d) ___ Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.
- (e) ___ Purchaser has (check (i) or (ii) below):
- (i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) ___ waived the opportunity to conduct a risk assessment or inspection for the presence of Lead-based paint and/or lead-based paint hazards (NOT PERMISSIBLE FOR HOME AND CDBG).

Agent's Acknowledgment (initial)

- (f) ___ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Seller	Date	Seller	Date
_____	_____	_____	_____
Purchaser	Date	Purchaser	Date
_____	_____	_____	_____
Agent	Date	Agent	Date

ATTACHMENT F
Disclosure to Seller with Voluntary, Arm's Length Purchase Offer

DECLARATION

This is to inform you that _____ would like to purchase the property, located at _____, if a satisfactory agreement can be reached. We are prepared to pay \$_____ for a clear title to the property under conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the buyer, _____, thru the agency, _____ will not acquire your property. The buyer does not have the power of eminent domain to acquire your property by condemnation (i.e. eminent domain) and the agency/Sponsor _____ will not use the power of eminent domain to acquire the property.
2. The estimated fair market value of the property is \$_____ and was estimated by _____, to be finally determined by a professional appraiser prior to close of escrow.

Since the purchase would be a voluntary, arms length, transaction you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us at: _____ . If you have any questions about this matter, please contact _____ at _____ .

Sincerely,

Title

Buyer

Date

Buyer

Date

Form continues on next page with Seller's Acknowledgment

Acknowledgement

As the Seller I/we understand that the _____ will inspect the property for health and safety deficiencies. I/we also understand that public funds may be involved in this transaction and, as such, if the property was built before 1978, a lead-based paint disclosure must be signed by both the buyer and seller, and that a Visual Assessment will be conducted to determine the presence of deteriorated paint.

As the Seller, I/we understand that under the Town's program, the property must be currently owner-occupied, vacant for three months at the time of submission of purchase offer, new (never occupied), or renter purchasing the unit. I/we hereby certify that the property is:

Vacant at least 3 months; Owner-occupied; New; or Being Purchased by Occupant

I/we hereby certify that I have read and understand this "Declaration" and a copy of said Notice was given to me prior to the offer to purchase. If received after presentation of the purchase offer, I/We choose to withdraw or not to withdraw, from the Purchase Agreement.

Seller

Date

Seller

Date

ATTACHMENT G
INSTRUCTIONS TO HOMEBUYER

1. Applicant(s) works with lender of choice to obtain the primary lender's pre-qualification letter.
2. Applicant(s) applies for program through the Business & Housing office at the Town of Paradise. Applicant provides Town of Paradise with originals of:
 - The pre-qualification letter provided by primary lender
 - Completed Town of Paradise *Interest Form*
 - Town of Paradise First-Time Homebuyer loan application
 - Income documentation: 3 months pay stubs and completed 3rd party verification forms from all employers
 - Asset documentation: 6 months bank statements (checking and savings); Statements from all cash or market assets (CD's, IRA's, Stocks, Whole Life Ins. policies, etc.).
 - Income Tax Statements + W-2's for the 3 most previous years. Forms must be signed by Applicant(s). A completed 4506-T form(s) must be signed.
 - Homebuyer's Workshop *Certificate of Achievement*
 - Any other documentation requested by the Town of Paradise that is necessary for determining eligibility
3. After review of all Items, a *Letter of Eligibility* or a *Letter of Denial* is sent to Applicant. For those eligible, the following documents are included for the Applicant's completion and signature(s).
 - Loan Procedure and Terms Acknowledgment
 - Race and Ethnic Data Reporting Form
 - State of California Fair Lending Notice
 - Lead Base Paint booklet and Receipt for same
4. Once eligibility has been determined, Applicant(s) works with real estate agent to select home.
5. Only after eligibility has been determined, Applicant selects home and enters into a purchase contract, contingent upon receiving Loan Approval from the Town. Agent obtains signatures of both Buyer and Seller on Town of Paradise disclosure statement (*Disclosure to Seller with Voluntary, Arm's Length Purchase Offer*) and includes it as part of the purchase agreement.
6. Real estate agent provides Town with a copy of:
 - *Escrow Information Sheet* (submitted to Town within 5 days of escrow opening)
 - Fully executed Real estate *Purchase Agreement* and any subsequent addendums
 - Town's Disclosure Statement (*Disclosure to Seller with Voluntary, Arm's Length Purchase Offer*) signed off by both Buyer and Seller.
 - Structural pest control report and clearance of Section 1 items
 - Lead based paint inspection report and clearance for homes older than 1978

7. Lender provides Town of Paradise with a copy of:
 - Residential loan application (e.g., FM1003) submitted to underwriting
 - Credit report
 - Appraisal with photos, supporting sales price
 - Loan Underwriting and Transmittal Summary (e.g., FM1008)
 - Proof of personal funds for participation in program, including gift letter, when applicable
8. Escrow officer provides Town with a copy of:
 - Preliminary Title Report
9. Town staff inspects home to meet program compliance. Notice of any deficiencies/ needed corrections are given to participant's real estate agent, with recommended course of action.
10. Escrow officer provides the Town with copy of:
 - Preliminary HUD-1 Settlement Statement. This document is required prior to loan being approved.
11. Town reviews paperwork to determine financing affordability for applicant(s) and submits packet for loan approval from Town Manager.
12. Town prepares loan document packet consisting of *Deed of Trust, Promissory Note, Notice of Default and Truth in Lending Statement.*
13. Once approved:
 - Approval letter is issued to first Lender indicating any outstanding conditions for approval or funding.
 - Loan Documents are delivered to Escrow.
14. Check is ordered by Town for funding of loan
15. Loan documents are signed by Applicant(s) in escrow and original documents, as well as copies of documents to be recorded, evidence of homeowner's insurance, and copies of 1st lenders Promissory Note and Deed of Trust are returned to Town.
16. Before funding, Lender provides the Town with copies of:
 - Typed Loan Application (Fannie Mae #1003) signed by Buyer
 - Underwriting/Loan approval document signed by Lender
17. Upon final review and approval of packet, Town releases funds to escrow.
18. Escrow records all applicable legal documents and provides Town with final closing Statement (HUD-1), and Final Title Insurance Policy.
19. Town closes out the loan file.

**ATTACHMENT H
LEAD-BASED PAINT
VISUAL ASSESSMENT, NOTICE OF PRESUMPTION, AND HAZARD REDUCTION FORM**

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, and 6. If paint stabilization is performed, also fill out Sections 4 and 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.	

Section 3: Notice of Presumption. Fill out Sections 1, 3, 5, and 6. Provide to occupant w/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 <i>hazards</i> are presumed to be present <input type="checkbox"/>
Attachment B: Summary of Presumption:

Section 4: Notice of Lead-Based Paint Hazard Reduction Activity. Fill out Sections 1, 4, 5, and 6. Provide to occupant w/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.	
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:

ATTACHMENT I
Homebuyer Program Lead Compliance Document Checklist

The following documents should be in each Homebuyer unit file to document compliance with the lead requirements:

Document Name	Purpose	✓
Lead Safe Housing Rule Screening Sheet	Documents exemptions	
Physical inspection form (HQS or equivalent)	Documents visual assessment results	
Seller Certification	Seller certifies that paint was stabilized by qualified workers and that safe work practices were followed during paint stabilization	
Clearance Report and Clearance Review Worksheet	Documents that unit passed clearance	
Disclosure Form	Documents that buyer received disclosure and pamphlet.	
Lead Hazard Reduction Notice	Documents that buyer received required lead hazard reduction notification.	

This was taken from the HUD Website at:

<http://www.hud.gov/offices/cpd/affordablehousing/training/leadsafe/usefulforms/index.cfm#crosscutting>

ATTACHMENT J
ACQUISITION WITH REHABILITATION CONSTRUCTION CONTRACT

Home Improvement Construction Contract

This Home Improvement Construction Contract is entered into this _____ day of _____, 20____, between the following parties: (Owner(s) Name): _____ and (Contractor's Name and Address): _____

(Notice of Cancellation, see paragraph 28, may be sent to Contractor at the above address).

The parties agree as follows:

1. Work to be Performed: Contractor agrees to provide a Schedule of Work, in accordance with the Work Write-up (Attachment 1) and furnish all supervision, technical personnel, labor, materials, tools and equipment necessary to complete the work described in the work write-up attached hereto at the real property commonly described as: _____ Contractor will be responsible for all construction means, methods, techniques, sequences and procedures and for the coordination of all portions of the work under the Contract. All materials shall be new, unless otherwise specified, and of good quality. Owner has a right to require the Contractor to have a performance and payment bond; the expense of the bond may be borne by the Owner.
2. Contract Price: Owner agrees to pay Contractor the sum of \$_____ for the work to be performed.
3. Completion Time:
 - a. Approximate Start Date: The Contractor agrees to file a complete permit application within ten (10) days after receipt of written Notice to Proceed from the Owner. Owner and Contractor agree that the Start Date of construction shall be the date the permits are issued by the Town of Paradise. In no event shall the Contractor commence work or place any materials on the site thereof prior to receipt of Notice to Proceed from the Owner.
 - b. Approximate Completion Date: Contractor shall prosecute the work diligently and continuously to completion. The work shall be completed within _____ days after the Start Date, subject to such delays as are permissible under paragraph 7 herein below.
4. Payment:
 - a. Price will be paid to Contractor in installments based on completion of work tasks and individual item prices on the Work Write-up attached, and any Change Orders.
 - b. Contractor shall submit all required payment forms to Owner for approval of payment. Prior to authorization of payment, the Contractor shall provide lien releases for claims by subcontractors, laborers, and material suppliers involved in the work and/or represented by Contractor's invoices. Owner may also request written guarantees and warranties.
 - c. After approval by Owner, Contractor shall submit payment request forms to Town of Paradise, hereinafter referred to as "The Town." The Town shall then make payment to the Contractor. The Town may, at its option, inspect the work to ensure that it has been satisfactorily completed in accordance with the Contract requirements. Should The Town determine that work has not been performed in accordance with the Contract, The Town may, in its sole discretion, withhold or reduce payment in accordance with the terms of the agreement between Owner and The Town .
 - d. At the time the work is completed, the Contractor shall submit the final pay request along with the recorded Notice of Completion, final building inspection report, insulation certificate, any warranties and guarantees, conditional lien releases, and Section 3 report (for contracts over \$100,000).
 - e. An amount equal to ten percent of the total Contract price, including any Change Orders, will be withheld by Owner and shall be paid to Contractor 35 days after notice of completion has

recorded, final inspection by the jurisdiction's building official and approval by Owner, provided that Contractor is not in default under this Contract. Final payment will be subject to withholding any amounts due to Owner for actual costs due to unexcused delays.

f. The payment of any progress payment shall not constitute acceptance of defective work or improper material, nor is it a waiver of the warranties or any other remedies to which the Owner may be entitled under the terms of this Contract

5. Relationship of the Parties to The Town: Work to be performed under this Contract is financed by funds from the Town of Paradise and administered by The Town. Owner is solely responsible for monitoring all work performed under this Contract and enforcing the terms of this Contract. The Town shall inspect all work for the purposes of monitoring loan disbursements in accordance with terms of this Contract and enforcing the terms of the loan agreement. Inspections performed by The Town are solely for the protection of the lender and solely for the purpose of assuring that the construction is progressing reasonably and that the lender's collateral interest is adequately protected. Owner acknowledges that The Town inspections are not for the purpose of assuring Contractor's compliance with applicable building codes. The Town shall not be liable under any circumstances for its failure to discover or require correction by Contractor of work that fails to comply with applicable building codes or for its failure to discover or require correction of any dangerous condition or defective work by contractor or by any subcontractor.

The Town shall not, under any circumstances, have any liability either to the Owner or to the Contractor for any disbursement or refusal to approve of any disbursement requested by Contractor.

6. Failure to Commence Work: Failure by the Contractor without lawful excuse to substantially commence work within 20 days from the date specified in the Notice to Proceed is a violation of the Contractors' License Law.

7. Excusable Delays: Contractor shall not be charged with delay in the completion of the work due to: any acts of Owner which cause delay; general strikes; acts of God or the public enemy; unavailability of materials, or casualty beyond Contractor's control, provided, however, that Contractor promptly (within 14 days) notifies Owner, in writing, of the cause of the delay. If the facts show the delays to be excusable under the terms of the Contract, the time for completion shall be extended for a period equal to the amount of time due to such delay.

8. Unexcused Delays: The parties agree that the Owner would incur additional expenses as a result of Contractor's unexcused delays in the completion of the work. "Additional expenses" shall include but not be limited to housing and storage costs incurred by the owner due to the inability to fully occupy the property.

9. Provisions for the Owner: While this Contract is in force, Owner shall permit Contractor the use of existing utilities including light, heat, power, and water, without charge, in order to carry out and complete the work. Owner may continue to occupy the premises during the rehabilitation but shall cooperate with Contractor to facilitate the performance of the work including the abandonment of limited areas as may be essential to the conduct of the work.

10. Compliance with the Law: By signing this contract, the Contractor certifies that it is licensed and in good standing in California, and not listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors. Contractors are regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826. All work shall be completed in strict compliance with the laws, ordinances, rules, regulations and Codes of the State, County, and local governments, whether

applicable laws, ordinances, rules, regulations and codes are mentioned in this Contract or not. Contractor shall obtain, pay for, and provide permits and licenses, as required to complete all work outlined under this Contract.

Where applicable, Contractor agrees to the following provisions:

- a) Standard Contract Language, All Contracts and Subcontracts, pertaining to civil rights, HCD, age discrimination, rehabilitation acts assurance, etc. (see Attachment 2).
- b) By the statement below, Contractor hereby furnishes Owner with Contractor Notice in compliance with California Business and Professions Code Section 7159:

INFORMATION ABOUT THE CONTRACTORS' STATE LICENSE BOARD (CSLB)

CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P. O. Box 26000, Sacramento, CA 95826

- c) The contractor hereby agrees to abide by the requirements of Executive Order 11246 and all implementing regulations of the Department of Labor.

11. Notice to Owner (see Attachment 3).

12. Required Insurance: Contractor shall obtain and keep in effect during the life of this contract, insurance in the following minimum amounts:

Worker's Compensation and Employer's Liability Insurance meeting the statutory requirements of the State of California.

Comprehensive General Liability and Property Damage Insurance with Combined Single Limits of at least \$1,000,000. This insurance shall be on an occurrence basis and shall protect the Contractor against liability arising from: Contractor's operations, operations by subcontractors, products, completed operations or professional liability where applicable and contractual liability assumed under the indemnity provisions above insured. Any Excavation, Collapse and Underground exclusions must be deleted when applicable to operations performed by the Contractor or his subcontractors.

An original certificate of such insurance shall be filed with The Town. Said certificate shall evidence coverage through the life of this Contract.

13. Safety to Public and Property: Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work. In such, Contractor shall provide

reasonable protection to prevent damage, injury, and loss to: all employees on the work, all work and materials and equipment to be incorporated therein and other property at the site or adjacent thereto, including trees, shrubs, lawns, pavements, structures, and utilities not designated for removal or replacement under the terms of this Contract.

14. Hold Harmless: With the exception that this Section shall in no event be construed to require indemnification by Contractor to a greater extent than permitted under the public policy of the State of California, Contractor shall indemnify and save harmless Owner and The Town , including their officers, agents, employees, affiliates, parents and subsidiaries, and each of them, of and from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys fees, losses or liability, in law or in equity, of every kind and nature whatsoever ("Claims") arising out of or in connection with Contractor's operations to be performed under this Agreement for, but not limited to:
- (a) Personal injury, including, but not limited to, bodily injury, emotional injury, sickness or disease, or death to persons, including, but not limited to any employees or agents of Owner, The Town , or any other subcontractor and/or damage to property of anyone (including loss of use thereof), caused or alleged to be caused in whole or in part by any negligent act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose act Contractor may be liable regardless of whether such injury or damage is caused by a party indemnified hereunder.
 - (b) Penalties imposed on account of the violation of any law, order, citation, rule, regulation, standard, ordinance, or statute, caused by the action or inaction of Contractor.
 - (c) Infringement of any patent rights which may be brought against The Town or Owner arising out of Contractor's work.
 - (d) Claims and liens for labor performed or materials used or furnished to be used on the job, including all incidental or consequential damages resulting to The Town or Owner from such claims or liens.
 - (e) Contractor's failure to fulfill the covenants set forth in collective bargaining agreement, wage order or any other agreement or regulation concerning labor relations.
 - (f) Failure of Contractor to provide Casualty Insurance.
 - (g) Any violation or infraction by Contractor of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety of employees, including, but not limited to, the use of The Town's or other's equipment, hoist, elevators, or scaffolds. The indemnification provisions of (a) through (g) above shall extend to Claims occurring after this Agreement is terminated as well as while it is in force. Such indemnity provisions apply regardless of any active and/or passive negligent act or omission of Owner or The Town or their agents or employees. Contractor, however, shall not be obligated under this Agreement to indemnify Owner or The Town for Claims arising from the sole negligence or willful misconduct of Owner or The Town or their agents, employees or independent contractors who are directly responsible to Owner or The Town , or for defects in design furnished by such persons.
 - (h) Contractor shall:
 - i. At Contractor's own costs, expense and risk, defend any claims that may be brought or instituted by third persons, including but not limited to, governmental agencies or employees of Contractor, against The Town or Owner or their agents or employees or any of them;
 - ii. Pay and satisfy any judgment or decree that may be rendered against The Town or Owner or their agents or employees, or by any of them, arising out of any such Claim; and/or
 - iii. Reimburse The Town or Owner or their agents or employees for any and all legal expense incurred by any of them in connection herewith or in enforcing the indemnity granted in this Section.
 - (i) All work covered by this Agreement done at the site or in preparing or delivering materials or equipment, or any or all of them, to the site shall be at the risk of Contractor exclusively until the completed work is accepted by The Town .

(j) The indemnities set forth in this Section shall not be limited by any insurance requirements set forth elsewhere within this agreement.

15. Assignment: Contractor shall not assign or transfer any right or obligation under this Contract without first obtaining the written consent of Owner. Any attempted assignment by Contractor shall be void.
16. Changes in Work to be Performed: No changes shall be made in the work, Contract price or Contract time for completion of work, except by written change order. The change order shall bear the signatures of the parties to this Contract and approved (by signature) as to propriety with funding requirements by The Town. No claim for an adjustment of Contract work, price or time will be valid unless so ordered. Payment for change orders that bear additional cost shall be made in accordance with paragraph 4, above.
17. Guarantees and Material Warranties: All labor, materials and installation shall be guaranteed for a period of one year from the date of final acceptance by Owner, when subjected to normal use and care, and provided Owner has complied, in full, with the terms and payments and other conditions of this Contract. Upon written notice from Owner, Contractor shall repair or remedy any defect in materials and workmanship within the one-year period specified. Contractor shall furnish Owner with and assign to Owner all manufacturers' and suppliers' written guarantees and warranties covering materials and equipment furnished under this Contract.
18. Surplus Materials and Clean-up of Premises: All materials and equipment removed and not reused as a condition of this Contract shall remain or become the property of Owner, unless otherwise so stated in writing. All surplus materials as well as all rubbish and construction debris resulting from construction activities shall be removed promptly from the job site by Contractor. Upon completion of the work, Contractor shall leave the building and premises in a "broom-clean" condition.
19. Divisibility: It is intended that each paragraph of this agreement shall be viewed as separate and divisible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall continue to be in full force and effect.
20. Materials Restriction: Lead base paint hazards specified in the work write-up shall be mitigated in accordance with Federal Lead Based Paint regulations listed at 24 CFR 35. All new paint used must be a non-lead based paint.
21. Arbitration:
 - a. Should any controversy arise out of or related to this Contract or the breach thereof, that falls within the provisions of 7085 et seq. of the California Business and Professions Code, other than a controversy based upon your failure to comply with a notice to return to the project under paragraph 23, the parties shall agree to submit the issue to Contractors State License Board (CSLB) arbitration. The decision of the arbitrator is final and binding on both parties. CSLB will pay for the hearing, the arbitrator, and the services of one Board-appointed expert witness per complaint. The parties are responsible for their own attorney fees, if any, and additional expert witnesses, if any.
 - b. Any controversy arising out of or relating to this Contract, or the breach thereof, that does not qualify for CSLB arbitration, or the parties do not agree to CSLB arbitration, 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 whom 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 and in any litigation arising out of or relating to this contract shall be entitled to recover from the other all attorneys' fees and costs of arbitration.
22. Mechanics Liens: Contractor shall pay promptly all valid bills and charges for materials, labor or otherwise, in connection with or arising out of the rehabilitation of said property and will hold Owner

and harmless against all of them, filed against the property or any part thereof, and from and against all expense and liability in connection therewith, including but not limited to, court costs and attorneys' fees resulting or arising there from. Should any liens or claim of liens be filed for record against the property, or should Owner receive notice of any unpaid bill or charge in connection with the Contract, Contractor shall forthwith pay and discharge the same and cause the same to be released of record. Contractor authorizes The Town to issue joint checks as part of any disbursement otherwise payable to Contractor whenever The Town, in its sole discretion, determines that payment in this fashion is necessary in order to protect the interests of the Lender or the Owner. (See also, Notice to Owner, Attachment 3).

23. Termination of Contract: Should Contractor commit any of the acts specified in this paragraph, the Owner may, give 72 hours' notice in writing thereof to Contractor, to commence and continue thereafter to diligently prosecute the correction thereof, and if contractor fails to do so, then without prejudice to any other rights or remedies given Owner by law or by this contract, Owner may terminate the services of Contractor under this contract; take possession of said project and the premises on which it is located; take possession of all materials, located on such premises; and, complete said project by whatever method Owner may deem expedient. Contractor shall be deemed to have committed an act specified in this paragraph if contractor shall:
- a. refuse or fail to supply enough properly skilled workers or proper materials to complete said project in the time specified in this contract and in the approved time schedule.
 - b. fail to make prompt payment to subcontractors, laborers, or material men for labor performed on or materials furnished to said project;
 - c. fail to comply with the time schedule for completion of the project;

The preceding notwithstanding, the following actions by the Contractor shall be deemed to be material breaches of the contract which are not subject to cure. Should Contractor commit any of the acts specified in this paragraph, the Owner may, by giving 72 hours' notice in writing thereof to Contractor, without prejudice to any other rights or remedies given Owner by law or by this contract, terminate the services of Contractor under this contract; take possession of said project and the premises on which it is located; take possession of all materials, located on such premises; and complete said project by whatever method owner may deem expedient:

- d. Commence with any proceedings of bankruptcy;
 - e. make a general assignment for the benefit of contractors;
 - f. persist in disregarding any law or ordinance relating to said project or the completion thereof;
 - g. suffer the revocation or suspension of its contractor's license.
24. Rights on Termination by Owner: Should Owner terminate the service of Contractor under this contract and complete said project pursuant to Paragraph 10 of this contract, the Contractor shall not be entitled to receive any further payment under this contract until said project is fully completed. On completion of said project by Owner, if the unpaid balance of the contract price exceeds the expenses incurred by Owner in completing said project, including any compensation paid by Owner for managerial, administrative, or supervisory services in completing said project, such excess shall be paid by Owner to Contractor. If the expense incurred by Owner in completion of said project exceeds the unpaid balance of the purchase price, Contractor shall pay such excess to Owner with thirty days following written demand by Owner.
25. Force Majeure: Neither Owner nor Contractor shall be deemed to be in default if performance of the improvements required by this contract is delayed or becomes impossible because of any act of God, war, earthquake, fire, civil commotion, epidemic, act of government, its agencies or officers, court order, or any other legitimate cause beyond the control of the party and not caused by the negligent, unreasonable or intentional acts of the party.
26. Availability of Funds: In the event the loan or grant of funds upon which this Contract is contingent is not approved, this Contract shall be considered null and void, and shall not create any liability to either Owner or Contractor.

27. Contract Nullity: This entire Contract shall be considered null and void if either of the following shall occur:
- a. Owner is not approved for funding to finance the Contract Price;
 - b. Owner chooses not to proceed with the project before construction begins.

28. **Three-Day Right to Cancel**: “You, the Owner, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the Contractor at the Contractor’s place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of this contract including this notice.

If you cancel, the Contractor must return any moneys paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the Contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the Contractor’s instructions on how to return the goods at the Contractor’s expense and risk. If you do make the goods available to the Contractor, and the Contractor does not pick them up within 20 days of the date of your notice of cancellation, you make keep them without any further obligation. If you fail to make the goods available to the Contractor, or if you agree to return the goods to the Contractor and fail to do so, then you remain liable for performance of all obligations under this Contract.”

(continued on next page)

29. "You, the Owner, are entitled to a completely filled-in copy of this Contract, signed by both you and the Contractor, before any work may be started."

THE OWNER AND THE CONTRACTOR ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND AND AGREE TO ALL PROVISIONS OF THIS CONTRACT INCLUDING ALL ADDITIONAL CONTRACT DOCUMENTS.

OWNER(S): _____

CONTRACTOR: _____

By: _____

Business Name: _____

Title: _____

Address: _____

Telephone: _____

License Number: _____

Tax ID or Soc. Sec. # _____

Attachments:

- 1 – Work Write-up
- 2 – Standard Contract Language
- 3 – Notice to Owner

STANDARD CONTRACT LANGUAGE:
ALL CONTRACTS AND SUBCONTRACTS

1. The Civil Rights, HCD, and Age Discrimination Acts Assurances:
During the performance of this Agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, or handicap, under any program or activity funded by this contract, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, and the Age Discrimination Act of 1975, and all implementing regulations.

2. Rehabilitation Act of 1973 and the "504 Coordinator"
The Grantee further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Grantees with 15 or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator".

3. The Training, Employment and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance:
 - a) The grant activity to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C 1701u. Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR 135.34(a)(2).

 - b) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

 - c) The Grantee will include these Section 3 clauses in every contract and subcontract for Work in connection with the grant activity and will, at the direction of the State, take appropriate action pursuant to the contract or subcontract upon a finding that the Grantee or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless the Grantee or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

 - d) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the project, binding upon the Grantee, its successors and assigns. Failure to fulfill these requirements shall subject the Grantee, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

4. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or more
The Grantee hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract

Specifications. The Grantee furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

5. State Nondiscrimination Clause:

- a) During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40) marital status, and denial of family care leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provisions of the Housing Act (Government Code, Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7258 et seq.) The applicable regulations of the Fair Employment and Housing Commission implementing Government Regulations, are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- b) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

6. Labor Standards –Federal Labor Standards Provisions

The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

Davis-Bacon Act (40 USC 276a-276a-5) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of Federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

Copeland “Anti-Kickback” Act (47 USC 276(c)) requires that workers be paid at least once a week without any deductions or rebates except permissible deductions.

Contract Work Hours and Safety Standards Act – CWHSSA (40USC 327-333) requires that workers receive “overtime” compensation at a rate of 1-1/2 times their regular hourly wage after they have worked 40 hours in one week.

Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

NOTICE TO OWNER

"Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

TO INSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

- (1) Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.
- (2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.
- (3) Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property; therefore, you need to protect yourself. This will help to insure that all person due are actually paid.
- (4) Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by the individuals, the person signing these releases lose the right to file a mechanics' lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete.

To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property."

Read and acknowledged:

Signature

Dated

Signature

Dated

**ATTACHMENT K
CONSTRUCTION PAYMENT REQUEST**

CONSTRUCTION PAYMENT REQUEST # _____

Date _____

Participant _____ Project _____ Job # _____

Project Address _____

Total Contract Amount \$ _____ Payment Amount \$ _____

Contractor: _____ Construction Supervisor: _____

Items Completed:

I request payment for work in progress on the above property. I certify that the work itemized above has been completed as of this date.

Contractor's Signature

Date

NOTE: Ten percent (10%) of the total contract amount (including all change orders) will be retained by the Town until 35 days after Notice of Completion is recorded.

The items listed above have been completed satisfactorily. _____
Please release payment to Contractor as requested (or amended). OWNER'S SIGNATURE
DATE

APPROVED FOR PAYMENT:

Kate Anderson, Hsg Prog Spvr DATE

Mail Pick-up

NOTES:

Distribution: **WHITE:**(Town of Paradise

YELLOW: Owner

PINK: Contractor

GOLDENROD: Supervisor

TOWN OF PARADISE

HOME TENANT-BASED RENTAL ASSISTANCE PROGRAM ("TBRA")

HOME Investment Partnerships Program
California Department of Housing & Community Development

PROGRAM GUIDELINES

Serving the Area within the Town Limits of Paradise



HCD Certificate Model Version: 10/2017

HOME Approved 09/21/2017
COUNCIL Approved (date)

Field Code Changed

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**TOWN OF PARADISE
HOME TENANT-BASED RENTAL ASSISTANCE (“TBRA”)
PROGRAM GUIDELINES**

I. INTRODUCTION

These Program Guidelines have been developed by the California Department of Housing and Community Development (HCD) based on the Section 8 Housing Assistance Program (HAP) operated by the U.S. Department of Housing and Urban Development (HUD), and have been adopted for the implementation of the Town of Paradise HOME Tenant-Based Rental Assistance Program (hereinafter referred to as “TBRA Program”).

Conflict of Interest Requirements

In accordance with 24 CFR Section 92.356 of the HOME Investment Partnerships (HOME) Final Rule, the following will apply:

(a) Conflicts prohibited. No persons described in paragraph (b) of this section who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including stepparent), child (including stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and in-laws of a covered person.

(b) Persons covered. The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(c) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction to HCD, HUD may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. See 24 CFR 92.356(d)(1-6) for details on the documentation needed in order to submit an exception request to HCD.

Participating Agencies

The Town of Paradise TBRA Program will be administered by the Housing Authority of the County of Butte (hereinafter referred to as “Program Operator”). Note: The term “Program Operator” used throughout this document refers to the Program Administrator named above.

Fair Housing

The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. The Program Operator will follow affirmative marketing procedures that provide information, through the implementation of an outreach marketing program to attract all eligible persons without regard to race, color, national origin, sex, sexual orientation, gender identity, age, religion, disability, and familial status. Affirmative marketing plans and procedures shall be approved by HCD. Fair housing marketing actions

will be based upon a characteristic analysis comparison (census data may be used) of the TBRA Program's eligible area compared to the ethnicity of the population served by the TBRA Program (includes, separately, all applications received 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 TBRA 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, will be widely distributed in the TBRA Program-eligible area.

II. ELIGIBILITY

The TBRA Program will be available in areas located within the Town limits of Paradise.

Preference will be given to applicants who reside or work in Paradise. Each household may choose to remain in their eligible unit, or may choose to rent any other eligible unit in the service area identified above.

Income Qualification Criteria

Projected gross annual income of the applicant household will be used to determine whether it is above or below the published HCD income limits. Income qualification criteria, as shown in the most recent HCD program-specific guidance at <http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide.shtml>, will be followed to independently determine and certify the household's gross annual income. Income will be verified by reviewing and analyzing tax returns, copies of wage receipts or paystubs, subsidy checks, bank statements and third-party verification of employment forms sent to employers. All documentation shall be dated within six (6) months prior to assistance, at a minimum, be recent, cover a consecutive two (2) month period.

A. HOUSEHOLD INCOME DEFINITION:

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

The Part 5 Annual Income Inclusions and Exclusions list is attached to these guidelines as **ATTACHMENT A**. In addition, the link to HUD's Annual Income and Exclusions chart is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

B. ASSETS:

There is no asset limitation for participation in the TBRA 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, clothing and automobiles are not included. *(Note: it is the income earned – e.g. interest on a savings 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.

Part 5 Asset Inclusions and Exclusions is attached to these guidelines as **ATTACHMENT B**. The link to Asset Inclusions and Exclusions is:

http://www.hcd.ca.gov/grants-funding/income-limits/income-calculation-and-determination-guide/docs/AppendixB_AnnualIncomeInclusionsExclusions.doc

Eligible Families – Income and Assets

Most applicants must have household incomes at or below sixty percent (60%) of the applicable County's area median income (AMI), adjusted by household size, as published by HCD each year (see **ATTACHMENT C**). The link to current area median incomes adjusted by household size is: <http://www.hcd.ca.gov/grants-funding/income-limits/cdbg-home-income-limits.shtml>

However, the TBRA Program may provide assistance to up to ten percent (10%) of its assisted households with incomes at or below eighty percent (80%) of County's AMI, under each HOME contract. "Household" means one or more persons who occupy a housing unit. Subject to the exemptions allowed in the "**Income Determination Guide**", all persons, not including unborn children, and non-related individuals, will be considered household members for purposes of determining income eligibility.

All adult applicants must certify that they meet the household income eligibility requirements for the TBRA Program and have their household income documented. The income limits in place at the time the applicant(s) eligibility is certified will apply when determining applicant income eligibility.

General TBRA Program Design

The TBRA Program is a rental subsidy program that is designed to assist eligible tenants with the payment of monthly rent and utility costs, as well as security deposits. TBRA assistance will make up the difference between the amount the household can afford to pay for monthly rent and utilities and the actual cost of the housing occupied by the household. All TBRA assistance will be made in the form of a grant, and will not have to be repaid.

NOTE: Assistance under the TBRA Program will consist of one 12-month term and is not subject to renewal if funding is available.

Rent Standards

The TBRA Program has adopted a Schedule of Rent Standards (also known as Payment Standards) in accordance with the method identified in HOME Final Rule Section 92.253(h)(3)(ii). Rent Standards will be updated annually and attached hereto as **ATTACHMENT D**. These Rent Standards will represent the highest gross rent (unit rent plus Utility Allowance) that can be approved for TBRA assistance.

Utility Allowances

The TBRA Program has elected to utilize the project-specific utility schedule in which the housing unit is located, when available. If none is available for a given unit, the local Public Housing Authorities Schedule of Utility Allowances will be utilized. The utility allowances for affected tenants will be determined by obtaining a copy of the current utility allowance schedule for the project in which the housing unit is located or the published local Public Housing Authority Schedule. Any utilities that are

not included in the rent will be factored into the calculation of TBRA assistance, as illustrated in the examples below.

Rental Assistance Subsidy Amounts

The monthly rental subsidy for each household will be the difference between the Gross Rent (approved rent plus the utility allowance, if any) and either thirty percent (30%) of the household’s adjusted monthly income or 10% of the household’s gross monthly income, whichever is more. The amount the tenant must pay monthly is known as the Total Tenant Payment (“TTP”).

Examples for Calculating Tenant and Program Payment

The Smith household has been income certified and is eligible for assistance. Based on their household composition they are eligible for a two-bedroom unit. Their Gross Annual Income is \$22,500 and their Adjusted Gross Annual Income is \$18,300. Thirty percent (30%) of their adjusted Gross Monthly Income is \$458. The current TBRA Payment Standard for a two-bedroom unit is \$775. The current utility allowance is \$100. Since 10% of their Gross Annual Income is less than 30% of their Adjusted Gross Annual Income, the adjusted income is used in these examples.

EXAMPLE 1: Unit Rents for \$725 with all utilities included

The Smiths must pay \$458 monthly TTP (30% of adjusted gross monthly Income, so $\$18,300/12 \times 0.30 = \458)	Approved Rent:	\$725	
	Less TTP (all for rent)	(458)	
	Program payment for rent	<u>\$267</u>	

Note: In this first example, since all utilities are included, there is no Utility Allowance, so the whole TTP goes toward rent.

EXAMPLE 2: Unit Rents for \$625 with some or no utilities included

The Smiths must pay \$458 monthly TTP (30% of adjusted gross monthly Income, so $\$18,300/12 \times 0.30 = \458)	Approved Rent:	\$625	
	Plus Utility Allowance	<u>100</u>	
	Equals Total rent/utilities	\$725	
	Less TTP (\$100 for utilities and \$358 for rent)	(458)	
	Program Payment for rent	<u>\$267</u>	

Note: In this second example, the Total Tenant Payment of \$458 is split between the utility allowance amount (for non-included utilities, using the applicable Utility Allowance Schedule) and the tenant’s share of the rent.

Utilizing the same rents and utility allowances as in the previous two examples, there are occasionally circumstances in which the Total Tenant Payment is so low that it will not even cover the estimated cost of utilities. Performing the analysis assuming the Smith household’s Gross Annual Income and Adjusted Gross Annual Income are both \$3,000 results in the following:

EXAMPLE 3: Unit Rents for \$625 with no utilities included (less income)

The Smiths must pay \$75 monthly TTP (30% of adjusted gross monthly Income, so $\$3,000/12 \times 0.30 = \75)	Approved Rent:	\$625	
	Plus Utility Allowance	<u>100</u>	
	Equals Total rent/utilities	\$725	
	Less TTP (\$75 for utilities and \$0 for rent)	(75)	
	Equals monthly subsidy	\$650	

	Less Program rent pmt.	(625)	
	Equals Program payment		(\$100 Utility
Allowance less \$75 paid by tenant)	to tenant for utilities	<u>\$ 25</u>	

Note: In this third example, the Total Tenant Payment of \$75 isn't enough to cover the estimated utility expenses. The TBRA Program therefore pays all of the rent for the unit and a Utility Reimbursement to the tenant to cover the portion of the estimated utilities that exceed 30% of their adjusted income.

Rental Security Deposits

The TBRA Program may approve the payment of a rental security deposit to the landlord for new rentals where the program recipient has less than six months of gross income in their checking/savings accounts, and where the lease between the landlord and tenant is for at least one year. The amount of the security deposit may not exceed the equivalent of two month's rent for the unit. Rental security and utility deposits, if any, are grants and not loans, and shall therefore be returned to the tenant at the end of the rental agreement.

III. APPLYING FOR ADMISSION

How to Apply

Families may apply for assistance by completing and submitting an application package to the Housing Authority of the County of Butte.

Completion of an Application

Upon completion of the application, an interview appointment will be scheduled. The interview appointment may be conducted in person or by telephone.

Applicants are responsible for rescheduling interview appointments when the original appointment is missed. If the Applicant does not reschedule and misses two consecutive interview appointments, the application may be rejected.

- At a minimum, the head of household will be required to attend the interview appointment. All adult household members must sign the Applicant/Tenant Certification Form in order for the application to be considered complete.
- Information provided by the Applicant to be verified includes information on household composition, income, allowances and deductions, preference status, full-time student status, and other factors relating to eligibility before being issued a TBRA Eligibility Agreement.
- Third-party verifications shall be obtained by telephone. When telephone requests are unsuccessful, the Program Operator will make adequate effort to ensure the third party is a valid source by documenting and including in the tenant's file the following information: Third-party's name, attempted contact person and contact information; name of the person who attempted the telephone interview; and date and time of the telephone call.

If additional information is needed to determine eligibility, a request will be sent to the Applicant, detailing the necessary additional information, which must be submitted within 10 working days. If no response is received within 10 days, a second request will be sent, allowing an additional 10 days to respond. If no response is received to the second request for additional information, an ineligibility letter

will be sent. After the verification process is completed, the Program Operator will make a final determination of eligibility based on verified data.

IV. OCCUPANCY STANDARDS

All units occupied by households receiving TBRA assistance must meet the Housing Quality Standards found at 24 CFR 982.401 at the time of initial occupancy and throughout assisted tenancy.

Size of Units

Households meeting the preference criteria may remain in their units and be assisted in place; however if they elect to select a different unit, the following occupancy standards shall apply.

The occupancy standard for the TBRA Program is two persons per sleeping area. The standards prescribed will apply to the majority of families. However, in some cases the relationship, age, sex, health, or disability of a household member may warrant the assignment of a larger unit. Exceptions for larger units may be granted within the following guidelines:

- Persons with verifiable medical needs;
- Other extenuating circumstances;
- Foster children are included when determining unit size (but not for household size for income limits evaluation);
- Space will not be provided for a household member who is absent more than 90 consecutive days (e.g., member of the military);

The following provides guidance on over-crowding and under-crowding:

<u>Unit Size</u>	<u>Min. # of Persons</u>	<u>Max. # of Persons</u>
1-BDR.	1	2
2-BDR.	2	4
3-BDR.	3	6
4-BDR.	4	8

Permanently Absent

If any adult member of a household leaves the unit for more than ninety (90) days, that adult member will be considered permanently absent from the unit. A remaining adult member of the household must report, in writing within ten (10) days, the change in household composition to the property manager and the Program Operator, who will then remove the absent adult as a household member.

Visitors

Any adult not included on the application that is in the unit for thirty (30) consecutive days without the written approval of the Program Operator will be considered to be living in the unit as an unauthorized household member.

Absence of evidence of a verifiable address will be considered verification that the visitor is a member of the household.

Statements from neighbors and/or the landlord will be considered in making a determination.

The burden of proof that an individual is a visitor rests on the household. In the absence of such proof, an individual will be considered an unauthorized member of the household and the Program Operator may terminate assistance if prior approval was not requested for the addition.

In a joint physical custody arrangement, if a minor is in the household less than 183 days per year (50% of the year), the minor will be considered to be an eligible visitor and not a household member.

Change in Household Composition

The Program Operator will verify changes in household composition (either reported or unreported). However, the burden of proof that an individual has moved ultimately rests on the household.

Change in Ownership

A change of ownership will be processed upon receipt of evidence of ownership, and a Letter of Authority Transfer, if applicable. Prior to the change of ownership taking effect, any payments made to the previous owner will be the responsibility of the new owner to recover.

Participant Relocation

Household relocation shall be limited. A household may move to a new unit during the lease only:

- When a mutual agreement between the owner and the tenant has been signed; or
- For good cause (the recipient must provide documentation such as police reports, court order, etc.)

In either case, the recipient must provide proper notice (30-day written notice) to the Program Operator and the Property Manager prior to initiating a move.

V. TBRA ELIGIBILITY AGREEMENT ISSUANCE AND BRIEFINGS

Purpose of Briefings

The purpose of the briefing is to provide new participants with the information found in the TBRA Eligibility Agreement (**ATTACHMENT E**). This will ensure that all Participants are aware of their responsibilities and the ramifications if they fail to comply.

Attendance Requirement

The head of household is required to attend a briefing to receive TBRA assistance.

Format

Briefings can either be in a group or held individually.

The TBRA Eligibility Information briefing shall cover the following:

- Procedures for notifying the Program Operator of abuses such as side payments or other overcharges and Housing Quality Standard violations in the unit;
- The HUD brochure on lead-based paint (Protect Your Family From Lead in Your Home) and information about where blood level testing is available, for units built prior to 1978.
- Conditions and procedures for notifying the Program Operator of changes which may occur between annual re-examinations;
- Conditions in the lease addendum under which tenancy may be terminated; and

- Conditions under which TBRA Housing Program assistance may be terminated.

Household Obligations

While the relationship between the tenant and landlord is the same as in the private housing market, the TBRA Housing Program participants have the following additional obligations:

1. The household must supply any information that is determined to be necessary in the administration of the TBRA Program, which may include rental history including any evictions, credit history, and criminal background information. The Program Operator may reject an applicant based on the information provided.
2. Any guest or household member who causes damages beyond normal wear and tear will be the responsibility of the household. If Housing Quality Standards (HQS) failures are determined to be caused by a tenant or guest, it will be the tenant's responsibility to correct. If the failure is life-threatening, the tenant must correct the defect within 24 hours. For other tenant-caused failures/defects, the tenant must correct the defect within 30 calendar days (or by a Program-approved extension).
3. The members of the household must not commit fraud, bribery or any other corrupt or criminal act in connection with the TBRA Program.

Discretion to Deny or Terminate Assistance

In deciding whether to deny or terminate assistance because of action or failure to act by members of a household, the Program Operator has the discretion to consider all of the circumstances in each case, including the seriousness of the case and the extent of participation or culpability of individual household members. The Program Operator may also review the household's more recent history and record of compliance, and the effects of denial or termination of assistance on other household members who were not involved in the action or failure to act.

The Program Operator may impose, as a condition of continued assistance for other household members, a requirement that household members who participated in or were culpable for the action or failure to act will not reside in the unit. The Program Operator may permit the other members of the household to continue in the TBRA Program.

Term of the TBRA Eligibility Agreement

A newly-issued TBRA Eligibility Agreement will be valid for a period of sixty (60) days from the date of issuance.

Joint Custody of Children

Children who are subject to a joint custody agreement will be considered members of the household if the applicant has at least 50% legal and physical custody of the minor as evidenced by legal documentation.

Alimony and Child Support

Regular alimony and child support payments are counted as income. If the amount of child support or alimony received is less than the amount awarded by the court, the Program Operator will use the amount awarded by the court unless the household can document non-receipt or receipt of a lower amount.

TBRA Housing Authorization Determination for Split Households

In cases where a household assisted by the TBRA Program becomes divided into two households due to divorce, legal separation, or the division of the household, the TBRA Program will recertify the household members remaining in the assisted unit to determine eligibility and the level of assistance.

Initial, Annual and Interim Examinations

The Program Operator will perform initial, annual and interim examinations, as required.

Annual Re-examinations

Households will be notified in writing 120 days in advance of the scheduled effective date of the re-examination. The Program Operator will use the same procedures for obtaining and verifying information that were used at admission. The Program Operator will compare the information the household reports against the household's most recent re-examination to identify any discrepancies and ask the household to explain them.

The following procedures will be followed for each re-examination:

- Re-verification of household income and composition;
- Unit inspection;
- Rent reasonableness verified, if the landlord is requesting a rent increase;
- The owner and household are notified of tenant contribution increase at least 30 days prior to the effective date.

The head of household, and any additional adult living in the unit must have a current Form HUD-9886, *Authorization for Release of Information/Privacy Act Notice*, on file any time verification of income is to be determined.

Households and owners will be notified of the results of the re-examination and effective date of any changes.

Reporting Changes Between Regularly-Scheduled Recertifications:

If any of the following changes occur, the Resident agrees to advise management and the Program Operator within ten (10) days:

- Any household member moves out of the unit;
- The household proposes to move a new member into the unit;
- An adult member of the household who was reported as unemployed on the most recent certification (or recertification) obtains employment;
- The household's income cumulatively changes by ten percent (10%) or more a month.

Interim Examinations

If an interim re-examination indicates that the tenant rent will be reduced or increased by ten percent (10%) or more, changes may take effect the first of the month following the determination, allowing for a 30-day notification to the tenant. If the change is less than ten percent (10%), no interim recertification will be processed, but the documentation will become part of the tenant file.

Households and owners will be notified of the results of the re-examination and effective date of any changes.

VI. LEASE ADDENDUM AND HOME RENTAL ASSISTANCE CONTRACT (HRA CONTRACT) EXECUTION

Lease Addendum

Prior to commencement of the TBRA Program assistance, the Program Operator requires that the Program's Lease Addendum (**ATTACHMENT F**) and its Additional Lease Addendum (**ATTACHMENT G**) be executed by the landlord and tenant.

HOME Rental Assistance Contract (HRA Contract)

The HRA Contract is a contract between the Program Operator and an owner. In the HRA Contract for the TBRA Program, the owner agrees to lease a specified dwelling unit to a specified eligible household, and the TBRA Program agrees to make monthly housing assistance payments to the owner for the household. The TBRA Program HRA Contract is based on the HAP Contract used for the Section 8 Housing Assistance Program. A copy of the TBRA Program's HRA Contract is attached as "**ATTACHMENT H.**" The term of the lease between the owner and the tenant may not expire before the term of the TBRA assistance.

Prior to HRA Contract execution, the Program Operator will ensure:

- That the income information is not more than 180 days old for participants;
- That owners provide their current address of residence or business, and proof of ownership of the property;
- That if there is not an existing lease, the landlord offer the tenant a one-year lease per HOME requirements, or provide evidence of a rejection of that offer in favor of a shorter lease for at least the HOME assistance term;
- That a Letter of Transfer of Authority is available if a management agent manages the property; and
- That Rent Reasonableness has been verified per the following procedures.

Rent Reasonableness

The Program Operator will make a determination as to the reasonableness of the rent the owner is proposing in relation to comparable units on the private unassisted market. The market area for rent reasonableness comparables shall include the similar areas of the city or county where the proposed rental is located.

Rent reasonableness determinations are made when units are placed under HRA Contract for the first time and when owners request annual or special contract rent adjustments. The Program Operator will certify and document in the tenant file that the approved rent:

- Does not exceed rents charged by the owner for comparable unassisted units in the private market; and,
- Is reasonable in relation to rents charged by other owners for comparable units in the private market.

The items used for rent reasonableness documentation include:

- Square footage;
- Number of bedrooms;
- Number of bathrooms;
- Location;
- Unit type;
- Quality;

- Amenities;
- Facilities;
- Date built; and,
- Management and maintenance services.

Documentation of the rent reasonableness study for each unit leased will be maintained by the Program Operator. The Program Operator will maintain a file(s) that includes comparable data on unassisted units in the private market, and will compare the subject unit against selected units in the same area with similar characteristics. Adjustments will be made for favorable and unfavorable differences between the subject unit and the comparables. The information on unassisted units will be updated on an annual basis.

VII. HOUSING QUALITY STANDARDS

Policy

No unit will be placed on the TBRA Program unless Housing Quality Standards (HQS) and applicable local building codes are met, in accordance with 24 CFR 982.401. The units must continue to meet these standards as long as the household is on the TBRA Program. Lead-based paint requirements will apply to all units constructed prior to 1978. The TBRA Program adheres to the acceptability criteria in HUD Section 8 Housing Assistance program regulations for Housing Quality Standards. Current HQS Inspection Forms are attached as “ATTACHMENT J”.

All Housing Quality Inspections will be performed by the Program Operator (or its designee).

There are four types of inspections:

- Initial
- Annual
- Special
- Move-out: Move-out inspections will be completed within 15 working days when requested by either the tenant or landlord.

Clearing Deficiencies

At initial and annual inspections, the owner will be given not more than 30 days to correct the items noted as “fail”. Extenuating circumstances could, with Program Operator approval, extend the time limit allowed to correct the items. The owner may be allowed two re-inspections for repair work to be completed (at inspector’s discretion) depending upon the complexity of work to be done. If, after the inspections, the unit still fails HQS, the household will be required to find another unit if it wishes to remain on the TBRA Program.

Owner Fails to Correct HQS Items

If the HRA Contract is terminated due to the owner’s failure or refusal to correct the failed items, and the current TBRA Program tenant was required to move to another unit to continue receiving TBRA Program assistance, the Program Operator will not approve the vacated unit for a new TBRA Program tenant for a minimum of one year, and only upon receiving a written assurance from the owner that they will fulfill the requirements of the minimum HQS in the future.

Request for Special Unit Inspection

A landlord/owner, tenant, or the Program Operator may request to have the tenant's unit inspected prior to the re-examination date. The Program Operator or its designee will schedule the inspection within ten (10) working days of the request.

VIII. DENIAL OR TERMINATION OF ASSISTANCE

Tenant Fraud

If the household has knowingly committed fraud in connection with the TBRA Program, the Program Operator may terminate assistance and cancel the HRA contract.

If the household has misrepresented income, assets, or allowances, which would have caused an increase in the tenant portion of the rent, the Program Operator will make every effort to recover any overpayment made as a result of tenant fraud or abuse.

If the household intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, the Program Operator may deny or terminate assistance.

Landlord Fraud

If a landlord has committed fraud or misrepresentation in connection with the TBRA Program, the Program Operator will terminate the HOME Rental Assistance (HRA) Contract and review the circumstances and household's involvement to determine if the household is eligible to relocate to another unit with continuation of assistance.

The Program Operator may bar the landlord from participation in the TBRA Program for breach of the HRA Contract.

The Program Operator will make every effort to recover any overpayments made as a result of landlord fraud or abuse.

Lease Violations

Termination of tenancy will be permitted only if a tenant has serious or repeated violations of the terms and conditions of the lease.

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease;
- If the owner notifies the household of termination of tenancy for serious or repeated lease violations, and the household moves from the unit prior to the completion of court action;
- If there are police reports, neighborhood complaints or other third party information, that has been verified by the Program Operator; or
- Other "good cause" exists for termination of the tenancy.
- information, that has been verified by the Program Operator; or
- Other "good cause" exists for termination of the tenancy.

Dispute Resolution and Appeals Procedure

Any applicant denied assistance from the Program has the right to appeal. Complaints concerning the Program should be made to the Program Operator first. If unresolved in this manner, the complaint or appeal must be made in writing and filed with the Sponsor. The Sponsor will then schedule a meeting

with the Assistance Review Committee. Their written response will be made within thirty (30) working days. If the applicant is not satisfied with the Committee's decision, a request for an appeal may be filed with the Sponsor's governing body. Final appeal must be filed in writing with HCD within one year after denial.

ATTACHMENT A
24 CFR Part 5 ANNUAL INCOME INCLUSIONS AND EXCLUSIONS

24 CFR Part 5 Annual Income Inclusions

§5.609 Annual income.

(a) *Annual income* means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. 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) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
- (6) *Welfare assistance payments.*
 - (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) 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:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees and charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

24 CFR Part 5 Annual Income Exclusions

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) 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 a live-in aide, as defined in §5.403;

(6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

- (8) (i) Amounts received under training programs funded by HUD;
- (ii) 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);
- (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) 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;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs 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;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) 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;
- (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) [Reserved]
- (14) Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
- (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- (16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in

the FEDERAL REGISTER and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

(d) *Annualization of income.* If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.

ATTACHMENT B
ASSET INCLUSIONS AND EXCLUSIONS (JANUARY, 2005)

ASSET 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, mutual funds, 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.

ASSET 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.

**ATTACHMENT C
CURRENT INCOME LIMITS FOR BUTTE COUNTY**

As of June 15, 2017

Household Size:

Income Category:	1	2	3	4	5	6	7	8
60%	\$26,340	\$30,060	\$33,840	\$37,570	\$40,620	\$43,620	\$46,620	\$49,620
80%	\$35,100	\$40,100	\$45,100	\$50,100	\$54,150	\$58,150	\$62,150	\$66,150

The link to the official, HCD-maintained Income Limits is: <http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/2017-Home-CDBG-Income-Limits.pdf>

ATTACHMENT D

**CURRENT RENT STANDARDS FOR TOWN OF PARADISE TBRA PROGRAM, BASED ON
90% (*) - 110% (**) OF HUD FMRs BELOW:**

<u>Efficiency</u> (0-Bedroom)	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
\$645*	\$740*	\$895*	\$1,310*	\$1,525*

IMPORTANT: Rent Standard represents the maximum approvable gross unit rent (meaning including the applicable Utility Allowance) by Unit Bedrooms

Final FY 2018 (effective 10/1/17 – 9/30/18) HUD FMRs By Unit Bedrooms

<http://www.huduser.org/portal/datasets/fmr.html>

	<u>Efficiency</u>	<u>One- Bedroom</u>	<u>Two- Bedroom</u>	<u>Three- Bedroom</u>	<u>Four- Bedroom</u>
Final FY 2018 HUD FMR	\$712	\$785	\$992	\$1,443	\$1,689

Note: The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four-bedroom FMR for each extra bedroom. For example, the FMR for a five-bedroom unit is 1.15 times the four-bedroom FMR, and the FMR for a six-bedroom unit is 1.30 times the four-bedroom FMR.



**ATTACHMENT E
HOME TBRA ELIGIBILITY AGREEMENT**



TENANT NAME:	Unit Size:	Issued On:
Number of Household Members:		

1. HOME TBRA Rental Assistance Program

This Agreement by the Town of Paradise and the Tenant identified above who is eligible to participate in the HOME TBRA Rental Assistance Program (Program) operated by the Housing Authority of the County of Butte. Under the Program, the Housing Authority makes monthly payments to the Landlord on behalf of the eligible Tenant pursuant to a separate agreement between the Housing Authority and the landlord (HOME TBRA Contract) with HOME funds received from HCD pursuant to the Standard Agreement.

By executing this Agreement, the Town of Paradise fully expects to have HOME funds available to provide financial assistance to the Tenant. The Town of Paradise is under no obligation to the Tenant or the Landlord or any other party until the Housing Authority has approved the unit and a lease addendum has been entered into between the Landlord and the Tenant.

The Housing Authority will work with the Landlord and the Tenant to execute all of the necessary documents as follows:

- The Landlord and the Tenant must sign a Lease Addendum and an Additional Lease Addendum regarding domestic violence tenant protections (Attachments F and G).
- The Landlord and the Housing Authority must sign a HOME Rental Assistance Contract (Attachment H).
- Once all necessary documents have been signed, payments to the Landlord can be processed.

2. Tenant and Program Share of the Rent

- A. The portion of the rent payable by the Tenant to the Landlord ("Tenant's Share") is calculated based upon the Tenant's ability to pay. The Tenant must provide the Program Operator with information about income, assets and other household circumstances that affect the amount the Tenant will be required to pay. The Tenant's Share may change as a result of changes in income or other household circumstances. The Tenant is also responsible for payment of all utilities not included in the rent.
- B. Each month, the TBRA Program will make a rental subsidy payment to the Landlord on behalf of the Tenant. The monthly payment will be equal to the difference between the approved rent the Landlord is charging and the Tenant's Share of the rent; or

- C. If applicable, each month, the TBRA Program will make the full rent payment to the Landlord and a partial payment for Utilities to the tenant, as determined using the local public housing authority's (PHA's) current utility allowance schedule.

3. **Requirements for Participating Tenants**

The Household must:

- supply true and complete information about the household's income, assets, and other household circumstances that affect eligibility and the amount of the Tenant's Share, and cooperate fully with initial, annual and interim re-examinations;
- sign and submit consent forms for obtaining information, as applicable;
- allow the Program Operator or its designee to inspect the unit at acceptable times, after giving reasonable notice (24 hours);
- use the dwelling unit as the household's principal place of residence and solely as a residence for the household;
- notify the Program Operator and property manager when there is a change in household composition;
- not sublease or sublet the unit;
- not own or have any interest in the unit;
- not commit any serious or repeated violation of the Lease;
- not commit fraud, bribery or any other corrupt or criminal act in connection with the HOME Rental Assistance Program;
- not engage in drug-related criminal activity or violent criminal activity;
- notify the owner and the Program Operator no less than 30-days prior to when the household intends to move out of the unit or terminate the assistance;
- notify the Program Operator of abuses such as side payments or other overcharges and Section 8 Housing Quality Standards (see **ATTACHMENT I**) violations in the unit; and
- provide the Program Operator with a copy of any owner eviction notice within three (3) business days;

4. **Period of Rental Assistance**

Assistance under the HOME TBRA Program is not guaranteed. The assistance is currently anticipated to be available for a period of two (2) years.

Assistance may be terminated if:

- the household's monthly cost of housing does not exceed 30% of the household's adjusted income;
- at any re-examination, the Tenant's income is greater than the published income limit for the program;
- the Tenant is evicted from the assisted unit, for other good cause;

- the Tenant provides false information or commits any fraud in connection with the TBRA program, or fails to cooperate with required re-examinations; or
- funding for the TBRA Rental Assistance Program is terminated or becomes otherwise unavailable.

The Program Operator will give the Tenant at least 30 days' notice of termination of assistance.

5. Location of Rental Assistance

An applicant may choose to remain in their current unit, or may choose to rent an eligible unit within the service area identified in the Eligibility section on page 5.

6. Equal Housing Opportunity

If a Tenant has reason to believe that he/she has been discriminated against on the basis of age, race, color, creed, religion, sex, sexual orientation, gender identity, religion, disability, national origin, or familial status, the Tenant may file a complaint with HUD. HUD has set up a "hot line" to answer questions and take complaints about Fair Housing and Equal Opportunity. The toll-free number is (800) 669-9777.

The Housing Authority of the County of Butte:	
Name:	Signature:
Date:	Telephone:
ELIGIBLE TENANT:	
Name:	Signature:
Date:	Telephone:

ATTACHMENT F

**TENANT BASED RENTAL ASSISTANCE PROGRAM
LEASE ADDENDUM**



Landlord Name:	Everyday Realty Company
Tenant Name:	Jane Doe
Unit Address:	1234 Main Street Paradise, CA 95973

This Lease Addendum adds the following paragraphs to the Lease between the Tenant and Landlord referred to above.

- A. Purpose of the Addendum. The Lease for the above referenced unit is being amended to include the provisions of this Addendum because the Tenant has been approved to receive rental assistance under TBRA. Under the Program, the Housing Authority of the County of Butte (HACB) will make monthly payments to the Landlord on behalf of the Tenant pursuant to the TBRA Contract.

The Lease has been signed by the parties on the condition that the HACB and Landlord will promptly execute a Housing Assistance Program (HAP) Contract. This Lease shall not become effective unless the Contract has been executed by both the Landlord and the HACB effective the first day of the term of the lease.

- B. Conflict with Other Provisions of the Lease. In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.
- C. Terms of the Lease. The term of this Lease shall begin on **9/14/2017** end no later than **9/13/2018** **. The Lease automatically terminates on the last day of the term of the Lease unless the Lease is terminated (1) by the Landlord in accordance with State laws; (2) by the Tenant in accordance with the lease, or (3) by mutual agreement during the term of the Lease.
- D. Rental Assistance Payment. Each month, the HACB will make a rental assistance payment to the Landlord on behalf of the Tenant family. This payment shall be credited by the Landlord toward the monthly rent payable by the Tenant. The balance of the monthly rent shall be paid by the Tenant.
- E. Security Deposit
 - (1) The Tenant has deposited **\$300** with the Landlord as a security deposit. The Landlord will hold this security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with State and local laws regarding interest payments on security deposits.
 - (2) After the Tenant family has moved from the dwelling unit, the Landlord may, subject to State and local law, use the security deposit, including any interest on the deposit, as reimbursement for rent or any other amounts payable by the Tenant under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the Tenant.

*Insert the first day of the term of the Lease.

**The maximum allowable length of a Lease is twenty-four (24) months.

- F. Utilities and Appliances. The utilities and appliances listed in Column 1 are provided by the Landlord and included in the rent. The utilities and appliances listed in Column 2 below are not included in the rent and are paid separately by the Tenant.

UTILITY/APPLIANCE	INCLUDED IN RENT	TENANT PAID
Garbage Collection	yes	no
Water/Sewer	yes	no
Heating Fuel (specify)	yes	gas
Lights, Electric	no	yes
Cooking Fuel (specify)	yes	gas
Hot Water	yes	gas
Refrigerator	no	yes
Stove/Range	no	yes

- G. Household Members. Household members authorized to live in this unit are listed below. The Tenant may not permit other persons to join the Household without notifying the HACB and obtaining the Landlord's permission. Household members:

Jane Doe

- H. Housing Quality Standards. The Landlord shall maintain the dwelling unit, common areas, equipment, facilities and appliances in decent, safe and sanitary condition (as determined by Section 8 Housing Quality Standards).

- I. Termination of Tenancy. The Landlord may evict the Tenant following applicable State and local laws. The Landlord must notify the HACB in writing when eviction proceedings are begun. This may be done by providing the HACB with a copy of the required notice to the Tenant.

- J. Prohibited Lease Provision. Any provision of the Lease which falls within the classifications below shall not apply and not be enforced by the Landlord.

- (1) Confession of Judgment. Consent by the Tenant to be sued, to admit guilt, or to a judgment in favor of the Landlord in a lawsuit brought in connection with the Lease.
- (2) Treatment of Property. Agreement by the Tenant that the Landlord may take or hold the Tenant's property or may sell such property without notice to the Tenant and a court decision on the rights of the parties.
- (3) Excusing the Landlord from Responsibility. Agreement by the Tenant not to hold the Landlord or Landlord's agent legally responsible for any action or failure to act whether intentional or negligent.
- (4) Waiver of Legal Notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.

- (5) Waiver of Court Proceedings for Eviction. Agreement by the Tenant that the Landlord may evict the Tenant Family (i) without instituting civil court proceedings in which the Family has the opportunity to present a defense, or (ii) before a decision by the court on the rights of the parties.
- (6) Waiver of Jury Trial. Authorization to the Landlord to waive the Tenant's right to a trial by jury.
- (7) Waiver of Right to Appeal Court Decision. Authorization to the Landlord to waive the Tenant's right to appeal a court decision or waive the Tenant's right to sue to prevent a judgment from being put into effect.
- (8) Tenant Chargeable with Cost of Legal Actions Regardless of Outcome of the Lawsuit. Agreement by the Tenant to pay lawyer's fees or other legal costs whenever the Landlord decides to sue whether or not the Tenant wins.

K. Nondiscrimination. The landlord shall not discriminate against the Tenant in the provision of services, or in any manner, on the grounds of age, race, color, creed, religion, sex, sexual orientation, gender identity, disability, or national origin, or familial status.

VAWA Protections. An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be considered as "good casue" for termination of the assistance, tenancy, or occupancy rights of such victim. Criminal activity relating to abuse engaged in by a household member or guest or person under tenant control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the tenant or immediate member of the tenant's family is the victime or threatened victim of that abuse.

The Landlord may request in writing that the victim or family member on behalf of victim certify that the individual is a victim of abuse and that documentation of HUD-Form 5382 * be completed within 14 business days or an agreed upon extension date to receive protection under VAWA. Failure to comple may result in eviction

TENANT SIGNATURES

Jane Doe

Signature / Date

By: _____
Type or Print Name of Tenant Representative

Signature / Date

LANDLORDS SIGNATURES

Everyday Realty Company

Signature / Date

*Certification of Domestic Violence, Dating Violence or Stalkng



**ATTACHMENT G
ADDITIONAL LEASE ADDENDUM**

VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005

TENANT	LANDLORD	UNIT NO. & ADDRESS
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This lease addendum adds the following paragraphs to the Lease between the above-referenced Tenant and Landlord.

Purpose of the Addendum

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

The effective date of this Lease Addendum is _____. This Lease Addendum shall continue to be in effect until the Lease is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

_____ Date _____ Tenant

_____ Date _____
Landlord



**ATTACHMENT H
TENANT BASED RENTAL ASSISTANCE PROGRAM (TBRA)
Housing Assistance Payments**



Landlord Name:	Everyday Realty Company
Tenant Name:	Jane Doe
Unit Address:	1234 Main Street Paradise, CA 95973

This Contract is entered into between the Housing Authority of the County of Butte (HACB) and the Landlord identified above. This Contract applies only to the Tenant family and the dwelling unit identified above.

1. TERM OF THE CONTRACT

The term of this Contract shall begin on **09/14/2017** * and end no later than **09/13/2018** **. The Contract automatically terminates on the last day of the term of the Lease.

2. RENT AND AMOUNTS PAYABLE BY TENANT AND HACB

- A. Initial Rent. The initial total monthly rent payable to the Landlord is **\$800** .
- B. Tenant Share of the Rent. Initially, and until such time as both the Landlord and the Tenant are notified by the HACB, the Tenant's share of the rent shall be **\$336** .
- C. HACB Share of the Rent. Initially, and until such time as both the Landlord and Tenant are notified by the HACB, the HACB's share of the rent shall be **\$464** . (The HACB assumes NO obligation for the Tenant's rent or for payment of any claim by the Owner against the Tenant.)
The HACB's obligation is limited to making rental payments on behalf of the Tenant in accordance with this Contract.
- D. Payment Conditions. The right of the owner to receive payments under this Contract shall be subject to compliance with all of the provisions of the Contract. The Landlord shall be paid under this Contract on or about the first day of the month for which the payment is due. The Landlord agrees that the endorsement on the check shall be conclusive evidence that the Landlord received the full amount due for the month and shall be a certification that:
 - (1) the contract unit is in decent, safe and sanitary condition and that the Landlord is providing the services, maintenance and utilities agreed to in the Lease;
 - (2) the Contract unit is leased to and occupied only by the Tenant family named above in this Contract;
 - (3) the Landlord has not received and will not receive any payments as rent for the Contract unit other than those identified in this Contract;
 - (4) to the best of the Landlord's knowledge, the unit is used solely as the Tenant family's principal place of residence.
- E. Overpayments. If the HACB determines that the Landlord is not entitled to any payments received, in addition to other remedies, the HACB may deduct the amount of the overpayment from any amounts due the Landlord, including the amounts due under any other housing assistance payment.
- F. Rent Adjustments. With no less than 60 days notice to the Tenant and the HACB, the owner may propose a reasonable adjustment to be effective no earlier than 60 days from the date of notice. The proposed rent may be rejected by either the Tenant or the HACB. The Tenant by providing the Landlord with 30 days' written notice. If the HACB rejects the proposed rent, the HACB must give the Tenant and Landlord 30 days' notice of intent to terminate TBRA Contract.

3. SECURITY DEPOSIT

- A. The Tenant will pay a security deposit to the Landlord in the amount of **\$300** . The landlord will hold this security deposit during the period the Tenant occupies the dwelling unit under the Lease. The Landlord shall comply with State and local laws regarding interest payments on security deposits.
- B. After the Tenant family has moved from the dwelling unit, the Landlord may, subject to State and local laws, use the security deposit, including any interest on the deposit, as reimbursement for rent or any other amounts payable by the tenant under the Lease. The Landlord will give the Tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the Landlord, the Landlord shall promptly refund the full amount of the balance to the Tenant/HACB.
- C. The Landlord shall immediately notify the HACB when the Tenant has moved from the Contract unit if prior to Contract termination.

* Insert the first day of the term of the Lease.

**The maximum allowable length of a Contract is twenty-four (24) months.

4. HOUSING QUALITY STANDARDS AND LANDLORD PROVIDED SERVICES

- A. The Landlord agrees to maintain and operate the contract unit and related facilities to provide decent, safe and sanitary housing in accordance with 24 CFR Section 882.109, including all of the services, maintenance and utilities agreed to in the Lease.
- B. The HACB shall have the right to inspect the Contract unit and related facilities at least annually and at such other times as may be necessary to assure that the unit is in decent, safe and sanitary condition and that required maintenance, services and utilities are provided.
- C. If the HACB determines that the Landlord is not meeting these obligations, the HACB shall have the right, even if the Tenant continues in occupancy, to terminate payment of the HACB's share of the rent and/or terminate the Contract.

5. TERMINATION OF TENANCY

The Landlord may evict the Tenant following applicable State and local laws. The Landlord must notify the HACB in writing when eviction proceedings are begun. This may be done by providing the HACB with a copy of the required notice to the Tenant.

6. FAIR HOUSING REQUIREMENTS

- A. *Nondiscrimination.* The Landlord shall not, in the provision of services or in any other manner, discriminate against any person on the grounds of age, race, color, creed, religion, sex, handicap, national origin or familial status. The obligation of the Landlord to comply with Fair Housing Requirements insures to the benefit of the United States of America, the Department of Housing and Urban Development, and the HACB, any of which shall be entitled to involve any of the remedies available by law to redress any breach or to compel compliance by the Landlord.
- B. *Cooperation in Quality Opportunity Compliance Reviews.* The Landlord shall comply with the HACB in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders and all related rules and regulations.

7. HACB AND HUD ACCESS TO LANDLORD RECORDS

- A. The Landlord shall provide any information pertinent to this Contract which the HACB may reasonably require.
- B. The Landlord shall permit the HACB or any of their authorized representatives to have access to the premises and, for the purposes of audit and examination, to have access to any books, documents, papers and records of the Landlord to the extent necessary to determine compliance with this Contract.

8. RIGHTS OF HACB IF LANDLORD BREACHES THE CONTRACT

- A. Any of the following shall constitute a breach of the Contract:
 - (1) If the Landlord has violated any obligation under this Contract; or
 - (2) If the Landlord has demonstrated any intention to violate any obligation under this Contract; or
 - (3) If the Landlord has committed any fraud or made any false statement in connection with the Contract, or has committed fraud or made any false statement in connection with any Federal housing assistance program.
- B. HACB's right and remedies under the contract include recovery of overpayments, termination or reduction of payments and termination of the Contract. If HACB determines that a breach has occurred, HACB may exercise any of its rights or remedies under the Contract. HACB shall notify the Landlord in writing of such determination including a brief statement of the reasons for the determination. The notice by the HACB to the Landlord may require the Landlord to take corrective action by a time prescribed in the notice.
- C. Any remedies employed by the HACB in accordance with this Contract shall be effective as provided in a written notice by the HACB to the Landlord. The HACB's exercise or non-exercise of any remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

9. PHA RELATION TO THIRD PARTIES

- A. HACB does not assume any responsibility for, or liability to, any person injured as a result of the Landlord's action or failure to act in connection with the implementation of this Contract or as a result of any other action or failure to act by the Landlord.
- B. The Landlord is not the agent of the HACB, and this Contract does not create or affect any relationship between the HACB and any lender to the Landlord or any suppliers, employees, contractors or subcontractors used by the Landlord in connection with this Contract.
- C. Nothing in this Contract shall be construed as creating any right of the Tenant or a third party to enforce any provision of this Contract or to assert any claim against the HACB or the Landlord under this Contract.

10. CONFLICT OF INTEREST PROVISIONS

No employee of the HACB who formulates policy or influences decisions with respect to the Coupon Program and no public official or member of a governing body or State or local legislator who exercises his functions or responsibilities with respect to the coupon Program shall have any direct or indirect interest, during this person's tenure or for one year thereafter, in this Contract or in any proceeds or benefits arising from the Contract or to any benefits which may arise from it.

11. TRANSFER OF THE CONTRACT

The Landlord shall not transfer in any form this Contract without the prior written consent of the HACB. The HACB shall give its consent to a transfer if the transferee agrees in writing (in a form acceptable to the HACB) to comply with all terms and conditions of this Contract.

12. ENTIRE AGREEMENT: INTERPRETATION

This Contract contains the entire agreement between the Landlord and the HACB. No changes in this Contract shall be made except in writing signed by both the Owner and the HACB.

13. WARRANTY OF LEGAL CAPACITY AND CONDITION OF UNIT

- A. The Landlord warrants (1) the unit is in decent, safe and sanitary condition as defined in 24 CFR Section 882.109 and that the Landlord has the legal right to lease the dwelling unit covered by this Contract during the Contract term.
- B. The party, if any, executing this Contract on behalf of the Owner hereby warrants that authorization has been given by the Landlord to execute it on behalf of the Landlord.

Landlord Name:
Everyday Realty Company

HACB Representative:
ELIG WORKER

(Signature / DATE)

(Signature / DATE)

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any manner within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

ATTACHMENT I
24 CFR § 982.401 HOUSING QUALITY STANDARDS (HQS)

(a) Performance and acceptability requirements.

(1) This section states the housing quality standards (HQS) for housing assisted in the programs.

(2)(i) The HQS consist of:

(A) Performance requirements; and

(B) Acceptability criteria or HUD approved variations in the acceptability criteria.

(ii) This section states performance and acceptability criteria for these key aspects of housing quality:

(A) Sanitary facilities;

(B) Food preparation and refuse disposal;

(C) Space and security;

(D) Thermal environment;

(E) Illumination and electricity;

(F) Structure and materials;

(G) Interior air quality;

(H) Water supply;

(I) Lead-based paint;

(J) Access;

(K) Site and neighborhood;

(L) Sanitary condition; and

(M) Smoke detectors.

(3) All program housing must meet the HQS performance requirements both at commencement of assisted occupancy, and throughout the assisted tenancy.

(4)(i) In addition to meeting HQS performance requirements, the housing must meet the acceptability criteria stated in this section, unless variations are approved by HUD.

(ii) HUD may approve acceptability criteria variations for the following purposes:

(A) Variations which apply standards in local housing codes or other codes adopted by the PHA; or

(B) Variations because of local climatic or geographic conditions.

(iii) Acceptability criteria variations may only be approved by HUD pursuant to paragraph (a)(4)(ii) of this section if such variations either:

(A) Meet or exceed the performance requirements; or

(B) Significantly expand affordable housing opportunities for families assisted under the program.

(iv) HUD will not approve any acceptability criteria variation if HUD believes that such variation is likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

(b) Sanitary facilities—

(1) **Performance requirements.** The dwelling unit must include sanitary facilities located in the unit.

The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.

(2) **Acceptability criteria.**

(i) The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.

(ii) The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.

- (iii) The dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water.
- (iv) The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

(c) Food preparation and refuse disposal—

(1) Performance requirement.

- (i) The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
- (ii) There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g, garbage cans).

(2) Acceptability criteria.

- (i) The dwelling unit must have an oven, and a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.
- (ii) The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
- (iii) The dwelling unit must have space for the storage, preparation, and serving of food.
- (iv) There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

(d) Space and security—

(1) Performance requirement. The dwelling unit must provide adequate space and security for the family.

(2) Acceptability criteria.

- (i) At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
- (ii) The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- (iii) Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
- (iv) The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

(e) Thermal environment—

(1) Performance requirement. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.

(2) Acceptability criteria.

- (i) There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
- (ii) The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.

(f) Illumination and electricity—

- (1) Performance requirement.** Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.
- (2) Acceptability criteria.**
 - (i)** There must be at least one window in the living room and in each sleeping room.
 - (ii)** The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
 - (iii)** The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

(g) Structure and materials—

- (1) Performance requirement.** The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.
- (2) Acceptability criteria.**
 - (i)** Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
 - (ii)** The roof must be structurally sound and weathertight.
 - (iii)** The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
 - (iv)** The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
 - (v)** Elevators must be working and safe.

(h) Interior air quality—

- (1) Performance requirement.** The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.
- (2) Acceptability criteria.**
 - (i)** The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
 - (ii)** There must be adequate air circulation in the dwelling unit.
 - (iii)** Bathroom areas must have one openable window or other adequate exhaust ventilation.
 - (iv)** Any room used for sleeping must have at least one window. If the window is designed to be openable, the window must work.

(i) Water supply—

- (1) Performance requirement.** The water supply must be free from contamination.
- (2) Acceptability criteria.** The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

(j) Lead-based paint performance requirement. The Lead-Based Paint Poisoning Prevention Act ([42 U.S.C. 4821-4846](#)), the Residential Lead-Based Paint Hazard Reduction Act of 1992 ([42 U.S.C. 4851-](#)

4856), and implementing regulations at part 35, subparts A, B, M, and R of this title apply to units assisted under this part.

(k) Access performance requirement. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

(l) Site and Neighborhood—

- (1) Performance requirement.** The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants.
- (2) Acceptability criteria.** The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

(m) Sanitary condition—

- (1) Performance requirement.** The dwelling unit and its equipment must be in sanitary condition.
- (2) Acceptability criteria.** The dwelling unit and its equipment must be free of vermin and rodent infestation.

(n) Smoke detectors performance requirement—

- (1)** Except as provided in paragraph (n)(2) of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, - smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).
- (2)** For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992, (57 FR 33846), will not be required subsequently to comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

**ATTACHMENT J
HOUSING QUALITY STANDARDS (HQS) INSPECTION FORMS**

The TBRA Program will use the following HQS Inspection Form, which may be printed and attached below:

<http://portal.hud.gov/hudportal/documents/huddoc?id=52580.pdf>



**ATTACHMENT K
HOME TENANT-BASED RENTAL ASSISTANCE (TBRA) PROGRAM
TENANT SELECTION PLAN**

The Tenant Selection Plan and Outreach Strategy is part of the Town of Paradise's HOME Tenant-Based Rental Assistance (TBRA) Program administered by the Housing Authority of the County of Butte.

TBRA Policies Affecting Marketing and Tenant Selection

Target Population

HOME TBRA will be targeted to individuals and their household members with income at or below 60% of the Area Median Income (AMI) at the time the TBRA rental assistance is provided to the participant.

Program Eligibility Requirements

This program is designed for households whose monthly rent and utility costs exceed 30% of their adjusted household income. Prior to occupancy, an applicant must qualify under all HOME eligibility criteria.

Income Limits are established by HUD and adjusted annually

The household's annual income may not exceed the applicable HOME income limit for the household size. Current income limits can be viewed at <http://www.hcd.ca.gov/grants-funding/income-limits/docs/2017-Home-CDBG-Income-Limits.pdf>. To be eligible for TBRA rental assistance, the applicant's household gross annual income must be at or below 80% of the area median household income (AMI) adjusted for household size. However, at least 90% of households served under this Program must be at or below 60% AMI.

Preferences

Preferences affect only the order of applicants on the wait list. They do not make anyone eligible who was not otherwise eligible, and they do not change the Housing Authority's screening criteria. Preference shall be given to applicants who live or work within the Town of Paradise.

Applying the Preferences

At the time of application, the applicant household certifies whether or not it is eligible for a preference. All information supplied in support of the applicant's eligibility for a preference must be verified. This information will be verified at the time of application.

Wait List

For placement on the Town of Paradise's wait list, applicants must complete an application and relevant consent forms. Placement on the wait list does not constitute acceptance. Further eligibility acceptance and screening is required prior to approval of assistance. Applicants will be placed on the wait list in chronological order by the date the complete application is received.

The Housing Authority will maintain one wait list. All applications will be date and time stamped when they are received.

Applicants under the age of 18 will be processed only if they are emancipated in accordance with State law or if State law requires housing be made available to minors.

If an applicant claims a preference, it will be noted on the wait list. The preference will be verified when the applicant is being processed for assistance. Applicants who apply and do not meet the preference criteria will be informed that they will be assisted on a first-come, first-served basis after all preferences have been assisted.

Applicants claiming a preference which cannot be verified will be considered a non-preference applicant, and reflected as such on the wait list.

Announcement and Marketing

Public announcement will be made per the Affirmative Fair Housing Marketing Plan.

Application Process

Application packets can be obtained from the Housing Authority. Application packets can be mailed or emailed to anyone interested in receiving one. Detailed instructions will be included with the application packet on how to deliver the completed application.

Applications will be accepted by mail to the Housing Authority or in person from the office where they were obtained. Funding will be available on or after Meetings with applicants will take place at a pre-arranged location convenient to the applicant.

Rejecting Ineligible or Unqualified Applicants

Each rejected applicant will be promptly notified in writing of the reason(s) for rejection. This notice will advise the applicant that he/she may within fourteen (14) calendar days of the date of the notice, request in writing a meeting by telephone to discuss the reasons for rejection.

Should the applicant request a meeting to discuss the rejection, it will be conducted by the Housing Authority. The applicant will be advised in writing of the results of this meeting within five (5) business days.

Process for Opening and Closing the Wait List

Opening the Wait List:

A classified ad will be placed in the local newspaper. Advertisements will include how, where and when to apply and will conform to the advertising and outreach activities described in the Affirmative Fair Housing Marketing Plan.

Closing the Wait List:

The wait list will be closed when the available Program funds have been fully committed. At that time, the Housing Authority will no longer accept additional applications.

Occupancy Standards

Occupancy standards are based on the following:

<u>Rental-Assisted Unit</u>	<u>Number of Persons</u>	
<u>Bedroom Size</u>	<u>Minimum</u>	<u>Maximum</u>
One Bedroom	1	2
Two Bedroom	2	4
Three Bedroom	3	6
Four Bedroom	4	8

In addition, household composition is taken into account and unit size is also based on the following:

- a) Will count all full-time members of the household;
- b) Will count all persons under the age of 18 anticipated to reside in a unit (**Examples** include children expected to be born to pregnant women, children who are in the process of being adopted by an adult, children whose custody is being obtained by an adult, children who are subject to a joint custody agreement but who live in the apartment at least 50% of the time, foster children who will reside in the apartment, children who are temporarily absent due to placement in a foster home);
- c) Will count live-in attendants; and
- d) Will count children who are away at school, but live with the family during school recesses.

Participant Relocation

A recipient household may move to a new unit during the lease term only:

- When a mutual agreement between the Housing Authority and the recipient has been signed; or
- For good cause (the recipient must provide documentation such as police reports, court orders, etc.); and
- Within the Program service area as described on the cover page of these Program Guidelines

In either case, the recipient must provide proper notice (30-day written notice) to the Housing Authority and the Property Manager prior to initiating a move.

Unit Inspections

Unit(s) will be inspected within 30 days prior to the first assistance payment, and then annually by the Program Operator. However, HCD is authorized to inspect the unit(s) at any time. Residents will be notified in writing 48 hours in advance of unit inspections.

Annual inspections are performed by the Program Operator to determine whether the unit continues to meet minimum HQS standards and to ensure the units are safe, clean and free of damages.

Annual Recertification

Recertification is the process by which all information, income, assets and certain expenses

regarding the applicant(s) eligibility for TBRA assistance is reviewed and the amount of that assistance is re-computed. The Housing Authority shall provide reminder notices to residents informing them of their responsibility to provide information about changes in family income or composition that are necessary to properly complete an annual recertification. The notification shall be in writing and shall include a list of information that residents are required to bring with them to their recertification interview. This list shall include documentation needed to support the recipients' household income as well as documentation to support any deductions they may be eligible to receive.

All recipient households are subject to annual recertification. The Housing Authority shall annually recertify all tenants that receive TBRA assistance. This is not an option but a requirement to receive assistance.

The annual recertification process begins 120 days prior to the recipient household's effective assistance/move-in date. Recipients will interview with the Housing Authority or its designee to determine continued eligibility on the project. Information reported in the interview will be verified by sending out third-party verification forms. The recertification process is a time-sensitive process. Timely completion includes the issuance of the required 30-day notice of a rent change.

The annual recertification must be completed by the 10th day of the eleventh month following the recipients' last annual recertification or assistance/move-in certification.

Interim Recertification

To ensure that recipients pay rents commensurate with their ability to pay, recipients must supply information requested by the Housing Authority for use in an interim recertification of family income and composition in accordance with HOME TBRA requirements.

1. Recipients must notify management when:
 - a. A household member moves out of the unit;
 - b. The household proposes to move a new member into the unit;
 - c. The household's income cumulatively increases by ten percent (10%) or more per month.
 - d. An adult member of the household who becomes unemployed or employed.
2. Recipients may request an interim recertification if circumstances occur since the last recertification that may affect their TBRA assistance payment. Changes a recipient may report include the following:
 - a. Decreases in income including, but not limited to, loss of employment, reduction in number of hours worked by an employed household member, and loss or reduction of welfare income;
 - b. Increases in allowances including, but not limited to, increased medical expenses, and higher child care costs; and
 - c. Other changes affecting the calculation of a household's annual or adjusted income including, but not limited to, a household member turning 62 years old, becoming a full-time student, or becoming a person with a disability.

If the Housing Authority learns that a recipient household has failed to report a change in income or family composition, the following steps will be taken:

- a. Refer the recipient to the lease and/or TBRA Eligibility Agreement clauses that require the interim recertification;
- b. Give the recipient ten (10) calendar days to respond to the notice; and
- c. Inform the recipient that his or her assistance may change.

Once the recipient household responds to the notice and supplies the required information, or if a recipient household reports a change and initiates an interim recertification, the Housing Authority will process the recertification and will implement changes as follows:

- a. TBRA Assistance Increases (tenant share decreases): the Housing Authority will implement any resulting TBRA assistance increase effective the first of the month following the date that the change/action occurred.
- b. TBRA Assistance Decreases (tenant share increases): Any resulting TBRA assistance decrease will be implemented effective the first day of the month following a 30-day notice.

If the recipient household fails to respond within ten (10) calendar days, the Housing Authority may terminate assistance with a written 30-day notice.

Violence Against Women Act (VAWA)

Domestic Violence includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating Violence means violence committed by a person:

- A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- B) where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - (i) the length of the relationship;
 - (ii) the type of relationship; and
 - (iii) the frequency of interaction between the persons involved in the relationship.

Stalking means:

- A) (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass or intimidate; or (ii) to place under surveillance with the intent to kill, injure, or intimidate another person; and
- B) in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts to a place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person.

Immediate Family Member means, with respect to a person:

- A) a spouse, parent, brother or sister, or child of the person, or an individual to whom that person stands in loco parentis (in place of a parent); or
- B) any other person living in the household of that person and related to that person by blood or marriage.

The VAWA protections apply to families applying for or receiving rental assistance payments under the HOME TBRA Program. An applicant cannot be denied admission because he/she has been a victim of domestic violence, dating violence or stalking. Domestic violence, dating violence or stalking is not good cause for the eviction of the victim of that violence. An incident of actual or threatened domestic violence, dating violence, or stalking does not qualify as a serious or repeated violation of the lease nor does it constitute good cause for terminating the assistance, tenancy or occupancy rights of the victim. Furthermore, criminal activity directly relating to domestic violence, dating violence or stalking is not grounds for terminating the victim's tenancy. The Lease Addendum must contain language that makes it clear that domestic violence, dating violence or stalking is not good cause for evicting the victim of that violence. Applicants who are or have been victims of domestic violence or stalking or encouraged to complete the HUD approved Certification of Domestic Violence, Dating Violence or Stalking (Form HUD-91066). The Program Operator will allow the landlord to bifurcate or divide the lease as a matter of law so that certain offending tenants can be evicted or removed while the remaining household member's lease and occupancy rights are allowed to remain intact.

Eligibility Agreement

The Housing Authority will issue an Eligibility Agreement to the recipient which will allow the recipient to remain in their unit and/or locate an acceptable unit, when a recipient's current unit is not eligible, based on its condition or lack of rent reasonableness.

Special Accommodations and Compliance with Section 504 Requirements

The Town of Paradise and the Housing Authority is committed to providing all persons with equal access to its services, activities, education, and employment regardless of race, color, sex, sexual orientation, ethnic origin, gender identity, religion, disability, or age of any member of an applicant family. For a reasonable accommodation, please contact the Housing Authority.



TOWN OF PARADISE
Council Agenda Summary
Date: July 11, 2017

Agenda No. 2(h)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: PD Window Replacement Contract Award

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting Contract No. 17-11, PD Window Replacement Project, performed by The Screen and Window Ship of Paradise, CA.

Background:

The Paradise Police Department building, located at 5595 Black Olive Drive, historically has had water intrusion issues near aged windows and on the second floor of the building. Efforts in the prior two years have been made to replace damaged siding and awnings, however during the 2016/2017 winter, staff has made the determination that the existing conditions on the roof and of windows throughout the building cannot continue to be maintained.

During the recent 2017/2018 budget planning process, staff recommended replacement of windows, roofing and specific drywall repairs to the Town Council and Measure C Oversight Committee. Both bodies concurred that this project is necessary as a regular course of business, one which may not be able to be funded without the existence of Measure C funds.

On July 11, 2017, Paradise Town Council awarded Contract 17-11 to The Screen and Door Shop of Paradise, CA in the amount of their bid of \$9,974.23.

Analysis:

Construction began during the week of September 18, 2017 following execution of contracts, ordering, manufacturing and delivery of the windows. All work was completed on time and within budget. Staff would like to thank the team at the Screen and Window Shop for their excellent work and the Paradise Police VIPS for helping coordinate building access, keeping all work moving forward.

Financial Impact:

The contract cost for the subject work is \$9,974.23. Funding for this effort has been identified in the 2017/2018 budget using Measure C funds, a local sales tax initiative which aims to support Police, Fire, Road and Animal Control by providing funds for projects and needs.

**TOWN OF PARADISE
RESOLUTION NO. 17-__**

**A RESOLUTION OF THE TOWN COUNCIL OF TOWN OF PARADISE
ACCEPTING THE WORK PERFORMED UNDER THE PD WINDOW
REPLACEMENT PROJECT (CONTRACT NO. 17-11).**

WHEREAS, the Town of Paradise has heretofore contracted with The Screen and Window Shop for certain work performed under that certain project known as the PD Window Replacement Project, being Contract No. 17-11; and

WHEREAS, said work of improvements, as called for by the contract between the Town of Paradise and The Screen and Window Shop, referable to said project was completed on September 28, 2017 to the satisfaction of the Town; and

WHEREAS, there has been posted a bond insuring the work of improvements from a maintenance standpoint for a period of one year from and after completion.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Town Council of the Town of Paradise that it hereby accepts the work performed on those certain improvements, the subject of a contract between the Town of Paradise and The Screen and Window Shop, known and referred to as the PD Window Replacement Project.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SCOTT LOTTER, MAYOR

ATTEST:

DINA VOLENSKI, TOWN CLERK

APPROVED AS TO FORM:

DWIGHT L. MOORE, TOWN ATTORNEY



**Town of Paradise
Council Agenda Summary
Date: October 10, 2017**

Agenda Item: 2(i)

Originated by: Colette Curtis, Administrative Analyst II
Reviewed by: Lauren Gill, Town Manager
Subject: Butte County Community Choice Aggregation Feasibility Study Form of Attestation

Council Action Requested:

- 1) Consider authorizing the Town Manager to sign a form of attestation allowing PG&E to share information for a feasibility study conducted by the County on Community Choice Aggregation.

Background:

In November 2015, Butte County staff presented information to Council regarding Community Choice Aggregation (CCA). AB 117, passed in 2002, gives California cities and counties the ability to aggregate the electric loads of residents, businesses and public facilities to facilitate the purchase and sale of electrical energy in a more competitive market. CCA leverages the market power of group purchasing and local control and allows government to become an energy purveyor and purchase electrical energy on the wholesale market from any source.

Butte County has contracted with a EES (a consultant) to perform a feasibility study for implementing Community Choice Aggregation in Butte County. As part of that study, the consultant has requested information from PG&E for each city in the county, including the Town of Paradise. In order to comply with this request, the Town is required to sign a form of attestation allowing PG&E to share information with the consultant for the purpose of the feasibility study.

Fiscal Impact Analysis:

The signing of the attestation form has no financial impact to the Town. The feasibility study will provide more information on potential future opportunities and impacts for the Town of Paradise.



Electric Sample Form No. 79-1030

Declaration by Mayor or Chief County Administrator Regarding Investigation Pursuit
or Implementation of Community Choice Aggrega

**Please Refer to Attached
Sample Form**

Advice Letter No: 4009-E
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulation and Rates

Date Filed March 5, 2012
Effective December 2
Resolution No. 180 3

**DECLARATION BY MAYOR OR CHIEF COUNTY ADMINISTRATOR
REGARDING INVESTIGATION, PURSUIT OR IMPLEMENTATION OF
COMMUNITY CHOICE AGGREGATION**

I, _____ [name], state as follows:

1. I am the mayor, chief county administrator, or chief executive officer of _____
_____ [name of city, county, or public agency,].
2. I am authorized to make this declaration on behalf of _____
_____ [check appropriate box]
 a city, or
 a county, or
 an eligible public agency

which is investigating, pursuing or implementing community choice aggregation as a community choice aggregator as defined by Section 331.1 of the California Public Utilities Code ("CCA" or "Potential CCA").

3. I understand that all of the confidential information provided by PG&E to the city, county, or public agency indicated above is subject to the terms and conditions of the Nondisclosure Agreement between these two entities and is provided for the sole purpose of enabling the city, county or public agency to investigate, pursue or implement community choice aggregation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this _____ day of _____, 20____, at _____, _____ [city, state].

[Signature]



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 5(a)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: Consider Vacating a “1-Foot No Access Strip” at the end of Apple View Way

COUNCIL ACTION REQUESTED:

1. Conduct a public hearing relating to consider vacating a “1-Foot No Access Strip” located at the end of the legal boundary of Apple View Way pursuant to the Public Streets, Highways and Service Easements Vacation Law, Part 3 of Division 9 of the Streets and Highways Code of the State of California, commencing with Section 8300; AND,
2. Consider adopting Resolution _____, a Resolution to abandon and vacate the subject “1-Foot No Access Strip”; OR,
3. Concur with staff recommendation to deny Abandonment Application #EN17-00055 affecting APN 050-430-014, 15.

Background:

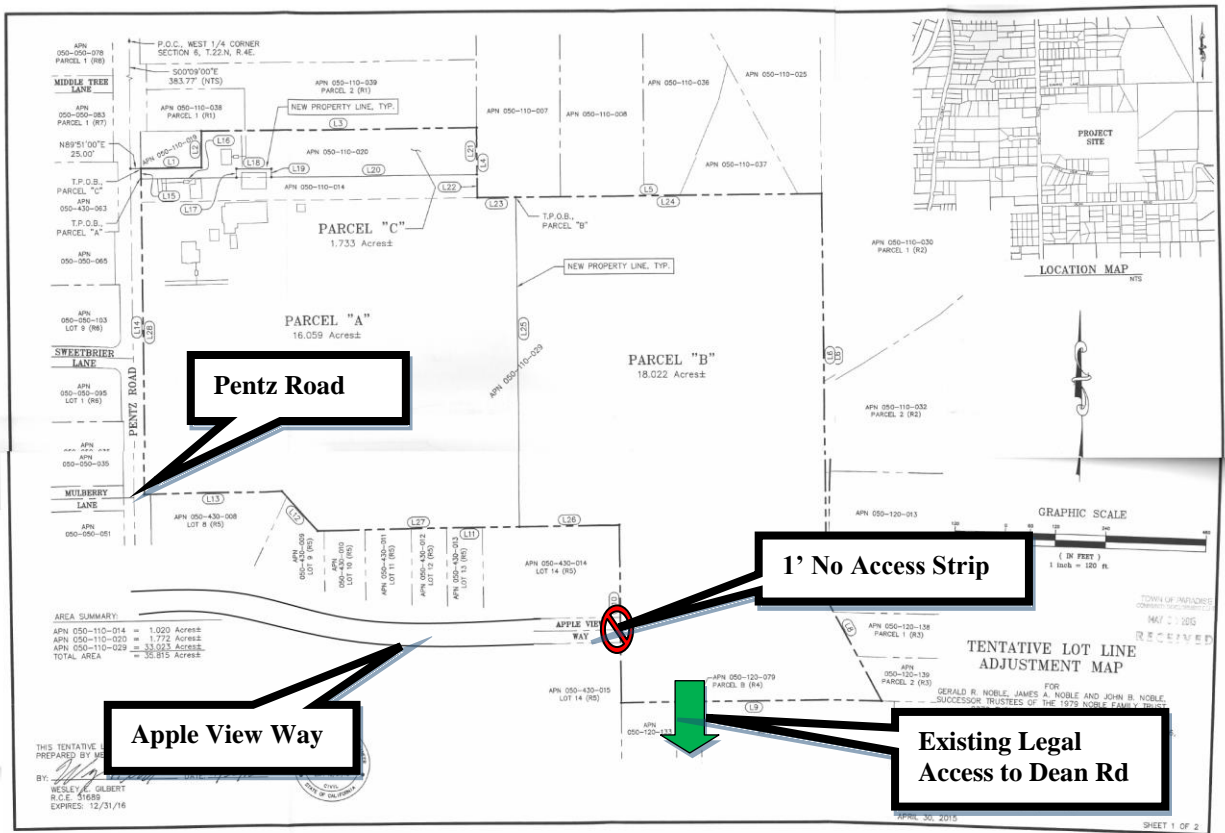
On May 28, 2017, NorthStar Engineering, on behalf of the Noble Family Trust, filed an application to abandon a one foot wide “no access strip” adjacent to their Orchard property along Pentz Road. The no access strip is at the east end of Apple View Way and was intended to prevent access from the Orchard property to Apple View Way and vice versa. Recordation of the no access strip and its offer of dedication to the Town of Paradise was required as a condition of approval for the Highland Acres Subdivision No. 2 Map that was recorded in October 1981, shortly after the incorporation date of the Town of Paradise.

On August 8, 2017, staff brought Abandonment Application #EN17-00055 affecting APN 050-430-014, 15 to the Council for consideration to proceed, with a staff recommendation for denial. During that meeting, Council directed staff to provide a public hearing notice to potentially affected property owners prior to Council selecting a course of action on the item.

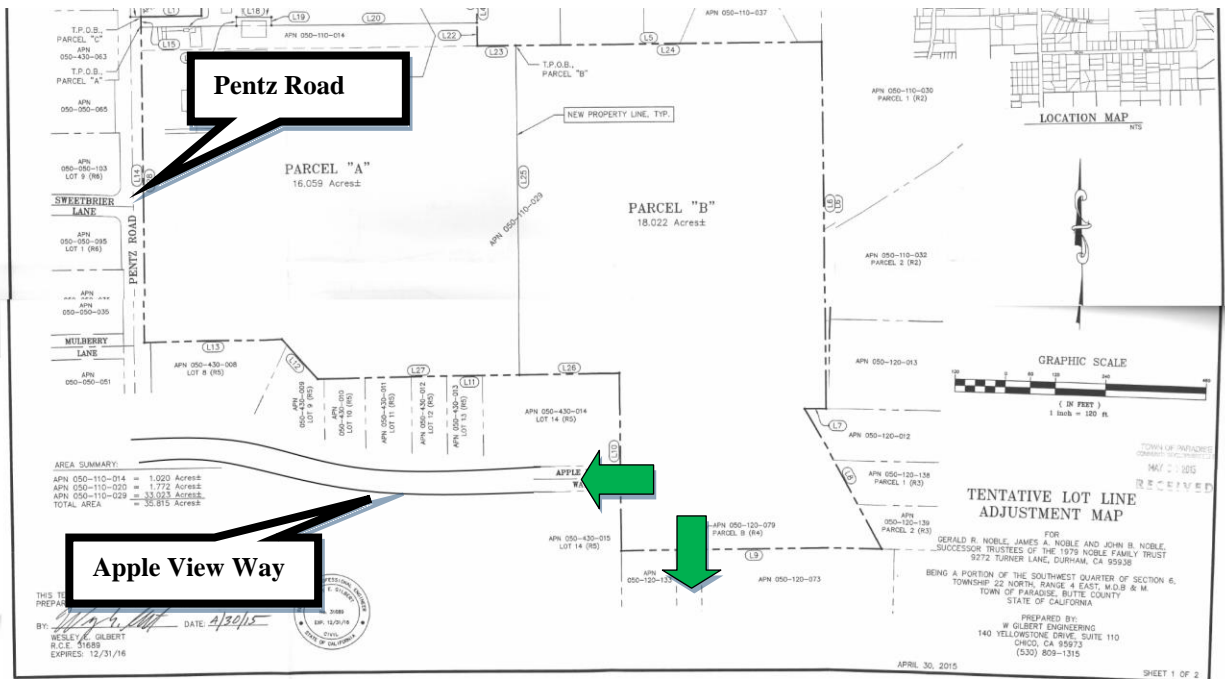
Analysis:

In accordance with Public Streets, Highways and Service Easements Vacation Law, Part 3 of Division 9 of the Streets and Highways Code of the State of California, commencing with Section 8300, staff has taken actions calling for a formal public hearing and potential abandonment of the “1-Foot No Access Strip”. A Notice of Public Hearing was advertised in the Paradise Post on September 23 and September 30. A physical notice of public hearing with relevant attachments was posted in three locations at the publicly accessible Apple View Way. Finally, a notice of public hearing with relevant attachments was mailed to all Apple View Way addresses and residences along Dean Road between Pentz Road and Subke Way. A copy of these notices is attached to this agenda item.

With the processing of a concurrent Lot Line Adjustment Application, the resultant parcels are proposed are shown with the “1-Foot No Access Strip” on the next page.



If the proposed abandonment of the "1-Foot No Access Strip" were to be approved, "Parcel B", as shown in the exhibit below, would have two legal access points: Apple View Way and Dean Road.



Following circulation of the public hearing notices, staff received several calls from concerned residents. In general, concerns from the public comments received to date can be summarized as follows:

- A. Unknown future of the development of APN 050-430-014, 15;
- B. Potential increase of traffic along Apple View Way and/or Dean Road
- C. Removal of a condition of approval of the original map which was originally intended to prevent the subject property from having legal access to Apple View Way

Staff Recommendation:

Staff recommends that Council conduct a duly noticed hearing relating to the subject potential abandonment; and, following consideration of public input, concur with staff recommendation to deny the vacation request.

Justification for Staff Recommendation:

Although the community and Council would have an opportunity to review and make recommendations on any future development regarding APN 050-430-014 & 15, it is the staff's opinion that it is not in the public's interest to abandon the "1-Foot No Access Strip" **at this time**. The only tangible benefit to abandon or vacate the "no access strip" at tonight's meeting appears to be improving marketability of a potential sale of the property. However, staff is recommending to wait until a future development project application is submitted to the Town so that a more informed consideration of the abandonment could be made--**if warranted**. Again, to vacate the "access strip" without a specific proposed project application is like a making a decision **without having any idea if a project will ever be submitted or what the details of that proposed future project may or may not be**. Staff concurs that waiting until a future project is submitted before considering the best access/egress/circulation, etc. is the most prudent decision for the Town and for the neighborhood—as well as for any future proposed project.

Alternative Action:

Adopt the attached Resolution _____, A Resolution of the town Council of the Town of Paradise to Abandon and Vacate a 1 Foot No Access Strip pursuant to the Public Streets, And Service Easements Vacation Law, Part 3 of Division 9, of The Streets and Highways Code of the State of California, commencing with Section 8300.

Financial Impact:

There is no financial impact to the Town for either concurring with staff's recommendation or approving the abandonment. All fees for the abandonment are paid by the project applicant.

**TOWN OF PARADISE
NOTICE OF PUBLIC HEARING - PARADISE TOWN COUNCIL**

NOTICE IS HEREBY GIVEN by the Town Council that a public hearing will be held on Tuesday, October 10, 2017 at 6:00 p.m., or as soon thereafter as possible, in the Town Hall Council Chamber, 5555 Skyway, Paradise, CA, regarding the following matter:

VACATE A "1 FOOT NO ACCESS STRIP" LOCATED AT THE END OF THE LEGAL BOUNDARY OF APPLE VIEW WAY, APPROXIMATELY 1,300 FT EAST OF PENTZ ROAD (370 FT EAST OF CURRENTLY IMPROVED APPLE VIEW WAY) PURSUANT TO THE PUBLIC STREETS, HIGHWAYS AND SERVICE EASEMENTS VACATION LAW, PART 3 OF DIVISION 9, OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, COMMENCING WITH SECTION 8300.

The file is available for public inspection at the Town Clerk Department, Paradise Town Hall at 5555 Skyway, Paradise, California, Monday through Thursday between the hours of 8:00 a.m. and 5:00 p.m. If you challenge this project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Town Public Works Director at, or prior to, the public hearing. For further information, please contact the Public Works Department at (530) 872-6291, extension 125.

Marc Mattox
Public Works Director

EXHIBIT "A"
RESULTANT PARCEL 1 DESCRIPTION

All that certain real property situate in the Town of Paradise, County of Butte, State of California described as follows:

PARCEL A

COMMENCING at the west one-quarter corner of Section 6, Township 22 North, Range 4 East, M.D.B. & M.; Thence South 00 deg. 12' East along the west boundary of said Section 6, a distance of 462.8 feet; Thence North 89 deg. 36' East, a distance of 25.00 feet to a point on the easterly boundary of the Pentz Road, which point is also the southwest corner of the land described in deed from Paradise Irrigation District to Perry Noble, dated May 6, 1943 and recorded May 10, 1943, in Book 312, Page 362, Official Records, said point being the **TRUE POINT OF BEGINNING** of the land herein described; Thence from said true point of beginning and running North 89 deg. 36' East along the southerly line of the land described in said Deed, and along the southerly line of the land described as Parcel 2 in deed from Ned M. Lundin and wife to Marvin Ernest Swope, recorded in Book 409, page 464, Official Records, and along the land described in deed from Paradise Irrigation District to Bert Strome, et al, recorded in Book 255, page 480, Official Records, and along the southerly line of the land described in deed from Edith Lillian Platt Locke and husband to Bert Strome, recorded in Book 240, page 293, Official Records, and the extension of said southerly line to the east line of the west half of the northeast quarter of the southwest quarter of said Section 6, and being the westerly boundary of the land described in deed from Ernest Deane Williams, Jr. and wife to Ray Chapman and wife, recorded in Book 449, page 19, Official Records; thence southerly along the westerly line of the land described in deed to Ray Chapman and wife to the northerly line of the land described in deed from Ray Chapman and Wife, to Jessie Bartholmew, et al, recorded in Book 488, page 392, Official Records, and being the north line of the southeast quarter of the southwest quarter of said Section 6; thence westerly along said line to the northwest corner of the land described in the last above mentioned deed to Jessie Bartholmew, et al; thence South 30 deg. 10' East along the westerly line of the land described in said deed last above mentioned deed to Jessie Bartholmew, et al, a distance of 381.03 feet to the southwest corner of the land described in deed last above mentioned to Jessie Bartholmew, et al, being also on the northerly line of the land described in deed from Perry B. Noble and wife to Evadue B. Gray and husband, recorded in Book 212 of deeds, page 262, said point being North 993.7 feet from the south line of the southwest quarter of said Section 6; thence westerly and parallel with the south line of said Section 6, and along the northerly line of the land described in the last above mentioned deed to Evadue B. Gray and husband, to a point on the easterly line of the Pentz Road; thence northerly along the easterly line of the Pentz Road to the true point of beginning.

EXCEPTING therefrom all that portion lying within the bounds of that certain subdivision entitled, "Highland Acres Subdivision No. 2", which map was recorded in the Office of the Recorder of the County of Butte, State of California, on October 8, 1981, in Book 85 of Maps, at page(s) 9 and 10.

PARCEL B

Parcel "B", as shown on that map entitled "Highland Acres Subdivision" filed for record in the office of the Butte County Recorder on September 22, 1965 in Book 34 of Maps, at Pages 20 and 21.

PARCEL A AND PARCEL B hereinabove described are hereby merged into a single parcel of land, containing 31.31 acres, more or less.

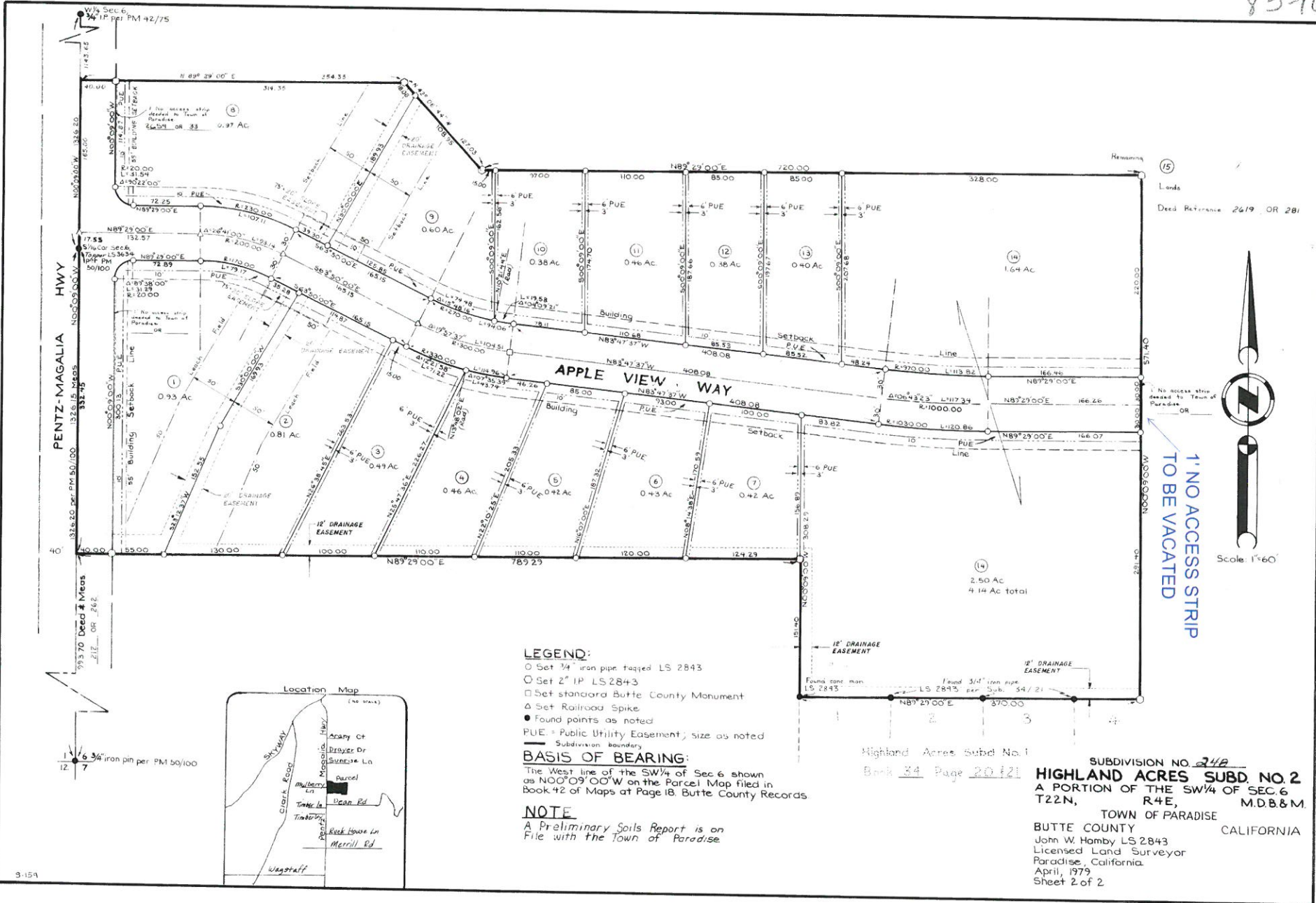
The purpose of this deed is to effect a lot line adjustment as approved by the Town of Paradise on June 14, 2017. No additional lots or parcels are created hereby. The scope of review of said lot line adjustment was limited as specified in Government Code Section 66412(d), and approval of it does not constitute assurance that future applications for building permits or other land use entitlements on the modified lots or parcels will be approved by the Town of Paradise.



NorthStar
Michael L. Mays



7/3/17
Date



1" NO ACCESS STRIP TO BE VACATED

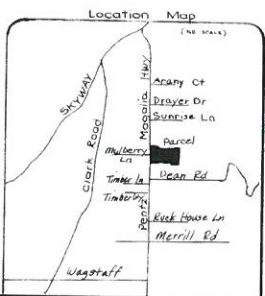
LEGEND:
 ○ Set 3/4" iron pipe tagged LS 2843
 ○ Set 2" IP LS 2843
 □ Set standard Butte County Monument
 ▲ Set Railroad Spike
 ● Found points as noted
 PUE = Public Utility Easement; size as noted
 Subdivision boundary

BASIS OF BEARING:
 The West line of the SW 1/4 of Sec 6 shown as N00°09'00"W on the Parcel Map filed in Book 42 of Maps at Page 18, Butte County Records

NOTE
 A Preliminary Soils Report is on File with the Town of Paradise

Highland Acres Subd No. 1
 Book 34 Page 20121

SUBDIVISION NO. 242
HIGHLAND ACRES SUBD. NO. 2
 A PORTION OF THE SW 1/4 OF SEC. 6
 T22N, R4E, M.D.B.&M.
 TOWN OF PARADISE
 BUTTE COUNTY CALIFORNIA
 John W. Hamby LS 2843
 Licensed Land Surveyor
 Paradise, California
 April, 1979
 Sheet 2 of 2



**TOWN OF PARADISE
RESOLUTION NO. 17-_____**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE
ABANDONING AND VACATING A 1 FOOT NO ACCESS STRIP PURSUANT TO THE
PUBLIC STREETS, AND SERVICE EASEMENTS VACATION LAW, PART 3 OF
DIVISION 9, OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF
CALIFORNIA, COMMENCING WITH SECTION 8300**

WHEREAS, the Public Works Director for the Town of Paradise, has received a request from NorthStar Engineering on behalf of _____, pursuant to Section 8320 (b), requesting the abandonment of a 1 Foot No Access Strip, located in the Town of Paradise, County of Butte, State of California, more particularly described in Exhibit “A”, and delineated in Exhibit “B”, which exhibits are attached hereto and made a part hereof; and

WHEREAS, in accordance with the provisions of Section 65402 of the California Government Code, the Town Planning Director determined that the abandonment and vacation is consistent with the general plan; and

WHEREAS, it is the desire of the Town Council to consider abandoning and vacating a 1 Foot No Access Strip in accordance with the provisions of the Public Streets, Highways, and Service Easements Vacation Law, Part 3 of Division 9, of the Streets and Highways Code of the State of California, commencing with Section 8300;

WHEREAS, pursuant to Streets and Highway Code sections 8320, 8322, 8323 and 8324, the Paradise Town Council has conducted a duly-noticed public hearing on October 10, 2017 concerning the proposed vacation.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Paradise, as follows:

1. After considering all the evidence, The Town Council finds that the one foot no access strip described in Exhibit A and the notice of hearing is unnecessary for present on prospective public use.
2. Based on the finding in Section 1, the Town Council vacates the one foot no access strip described in Exhibit A of this resolution.
3. The Town Clerk shall cause a certified copy of this resolution of vacation, attested by the Clerk under seal, to be recorded without acknowledgement, certificate of acknowledgement, or further proof in the Office of the Recorder of the County of Butte Upon such recordation the vacation shall be complete.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October, 2017, by the following vote:

AYES:

NOES:

ABSENT:

NOT VOTING:

Scott Lotter, Mayor

ATTEST:

Dina Volenski, Town Clerk

APPROVED AS TO FORM:

Dwight L. Moore, Town Attorney



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 6(a)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: Town of Paradise Facilities Condition Assessment

COUNCIL ACTION REQUESTED:

1. Consider Authorizing the Town Manager to execute a Master Equity Lease Agreement with Enterprise Fleet Management, Inc., upon approval of the Town Attorney; and,
2. Approving Resolution No. 17-___, A Resolution of the Town Council of the Town of Paradise declaring certain vehicles and equipment to be surplus property, authorizing sale of them and the Town Manager to execute a Consignment Agreement; and,
3. Approving a \$4,455 budget appropriation for the Gas Tax/Street Maintenance Fund.

Background:

The Town of Paradise currently owns and maintains over 120 active pieces of equipment ranging from simple trailers to multiple fire engines. The average age of rolling vehicles is over 10 years old. The 2017/2018 Fiscal Year adopted budget estimates over \$100,000 in supplies and/or services to be dedicated to fleet repairs and maintenance.

Staff has identified a need to surplus equipment and vehicles which are no longer used in addition to timely turnover of existing fleet prior to encountering costly repairs. The list of vehicles to be sold is provided below:

Department	Description	Mileage
Police	PD09 2002 Ford Crown Victoria	120,000
Police	PD16 2000 Ford Crown Victoria	110,000
Police	PD34 2000 Ford Crown Victoria	166,000
Police	PD03 2001 Ford Crown Victoria	98,000
Police	PD12 2001 Ford Crown Victoria	122,000
Police	PD04 2001 Ford Crown Victoria	107,000
Police	PD32 2003 Ford Crown Victoria	185,000
Police	AC62 1990 Ford Ranger	36,000
Public Works	PW34 1997 Ford F-450 Boom Truck	112,000
Public Works	PW Chipper 1986 Brush Bandit	160 Hours
Public Works	Buyer Tailgate Sander	N/A
Public Works	Shoulder Backing Machine	N/A
Public Works	P/U Sander	N/A
Public Works	Dump Truck Sander	N/A
Public Works	Arrow Board	N/A
Public Works	Striping Machine	N/A
Public Works	PW68 2006 Ford Escape 4x4	77,000
Development Services	CSS1 2006 Ford Escape 4x4	55,000
Development Services	OS66 2006 Ford Escape 4x4	47,000

Analysis:

As a means to assure the Town maintains a safe, reliable service fleet; and at the same time, being fiscally prudent as new and replacement vehicles are purchased, staff has been working with Enterprise Fleet Management, Inc. (EFM) to determine the viability of the Town entering into a vehicle leasing program. EFM provides fleet services to approximately 111 governmental organizations in California and has provided a qualified public bid through The Interlocal Purchasing System (TIPS) purchasing cooperative.

Staff has evaluated this issue in a detailed manner over the last six months. After researching feedback from existing clients and weighing the need to surplus and procure new vehicles, staff is recommending the Town conduct a “pilot” program to determine how utilizing EFM’s services may better serve the Town with long-term vehicle needs. The pilot program will involve the surplus of stagnant equipment and procurement of two vehicles using the EFM Leasing Program. Through this process, staff will be better prepared to make recommendations for fleet procurement needs during the 2018/19 Fiscal Year Budget preparation process.

Advantages of utilizing EFM are summarized below:

- Staff burdens for vehicle surplus and procurement are minimized;
- Captures the best government pricing available;
- Maximizes cash flow opportunities by creating an ongoing level annual payment for fleet vehicles in lieu of unexpected, up-front purchases;
- Increases employee safety by enabling the Town to replace outdated vehicles sooner, consistent with industry best practices;
- Reduces overall costs associated with having a newer fleet with increased fuel efficiency and less reactive major repairs;
- Provides optional fleet management software for the Town to implement on all vehicles; and,
- Provides the Town with an easy, ongoing replacement cycle (if desired), enabling the Town to capitalize on government pricing and resale at standard market value.

For the pilot procurement, staff is recommending the purchase of two 2018 Chevrolet Colorado 4x4 trucks. These trucks have been proven to be reliable and are becoming the industry standard for government and private sector work trucks. In addition, these trucks have proven to retain their values.

Financial Impact:

Budgeting for vehicle replacement is a difficult task for many agencies. However, utilizing the EFM program, the Town can expedite the turnover of its fleet in a controlled, cost-effective manner. Enterprise Fleet Management has agreed to reduce their interest rates from existing lease-purchase agreements to 3.0%. The lease term will be 60 months. The monthly EFM cost for the surplus and procurement services is 0.12% of each delivered vehicle.

A typical purchase scenario is provided below, with zero down payment assumed:

- | | |
|-------------------------------------|---------------------------------------|
| - 2018 Colorado 4x4 Purchase Price | \$24,500 |
| - Monthly Interest & Management Fee | \$87.26 |
| - Total Vehicle Cost | \$29,735 or \$5,947/year or \$495/mo. |

An estimated resale value at the end of 5 years for the same truck can exceed \$22,500. In this case, the Town could elect to sell the truck and reinvest in another truck of the same cost, monthly payments would be reduced to less than \$100/mo.

Funding for the lease-purchase of the two vehicles is proposed to be assigned to their respective divisions in Public Works and Building Safety and Wastewater. Building Safety and Wastewater Fund had budgeted \$6,000 for the replacement of a building inspector vehicle, so about \$1,545 in budget savings is expected. The Gas Tax/Street Maintenance fund will be able to absorb the cost of the truck replacement for the Construction Inspector; thus, a \$4,455 budget appropriation is recommended for account 2120.45.4750.5501. In addition, the surplus of sale of the vehicles and equipment listed above, will generate at least some revenue which will be applied to the asset replacement fund for future vehicle and equipment replacement and can be used to offset some future payments.

**TOWN OF PARADISE
RESOLUTION NO. 17-__**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PARADISE
DECLARING CERTAIN VEHICLES AND EQUIPMENT TO BE SURPLUS PROPERTY,
AUTHORIZING SALE OF THEM AND EXECUTE A CONSIGNMENT AGREEMENT**

WHEREAS, the Town of Paradise wishes to dispose of a certain vehicles and equipment that are no longer functional or necessary to the Town's operations through public auction, internet sale, salvage or other legal method.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Paradise as follows:

Section I. Pursuant to Paradise Municipal Code Section 2.45.130, the Town hereby declares the following vehicles and equipment as surplus property:

Department	Description	Identification	Mileage
Police	PD09 2002 Ford Crown Victoria	2FAFP71W62X157513	120,000
Police	PD16 2000 Ford Crown Victoria	2FAFP71W9YX202422	110,000
Police	PD34 2000 Ford Crown Victoria	2FAFP71W0YX202423	166,000
Police	PD03 2001 Ford Crown Victoria	2FAFP71W31X185588	98,000
Police	PD12 2001 Ford Crown Victoria	2FAFP71W51X185589	122,000
Police	PD04 2001 Ford Crown Victoria	2FAFP71W11X185587	107,000
Police	PD32 2003 Ford Crown Victoria	2FAFP71WX3X187681	185,000
Police	AC62 1990 Ford Ranger	1FTCR10T3LUC04534	36,000
Public Works	PW34 1997 Ford F-450 Boom Truck	3FELF47G2VMA42798	112,000
Public Works	PW Chipper 1986 Brush Bandit	BRUSHBANDIT000610	160 Hours
Public Works	Buyer Tailgate Sander		N/A
Public Works	Shoulder Backing Machine		N/A
Public Works	P/U Sander		N/A
Public Works	Dump Truck Sander		N/A
Public Works	Arrow Board		N/A
Public Works	Striping Machine		N/A
Public Works	PW68 2006 Ford Escape 4x4	1FMCU92Z86KC74847	77,000
Development Services	CSS1 2006 Ford Escape 4x4	1FMCU92Z36KB66328	55,000
Development Services	OS66 2006 Ford Escape 4x4	1FMCU92Z66KC74846	47,000

Section 2. Pursuant to Paradise Municipal Code Section 2.45.130, the Town Manager is hereby authorized to execute the attached consignment agreement with Enterprise Fleet Management, Inc. relating to disposal of property in Section 1.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October, 2017, by the following votes:

AYES:

NOES:

ABSENT:

NOT VOTING:

Scott Lotter, Mayor

**TOWN OF PARADISE
RESOLUTION NO. 17-__**

ATTEST:

BY: _____
Dina Volenski, CMC, Town Clerk

APPROVED AS TO FORM:

BY: _____
Dwight L. Moore, Town Attorney

CONSIGNMENT AGREEMENT

THIS AGREEMENT is entered into by and between **Enterprise Fleet Management, Inc.**, a Delaware statutory trust (hereinafter referred to as “Enterprise”) and **Town of Paradise** (hereinafter referred to as “CUSTOMER”) on this [_ / _ / 2017] (hereinafter referred to as the “Execution Date”).

RECITALS

- A. Enterprise is in the business of selling previous leased and rental vehicles wholesale; and
- B. The CUSTOMER is a municipal corporation who provides government services; and
- C. The CUSTOMER and Enterprise wish to enter into an agreement whereby Enterprise will sell wholesale, CUSTOMER’s vehicles set forth on Exhibit A, attached hereto and incorporated herein, as supplemented from time to time (collectively, the “Vehicles”).

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:

TERMS AND CONDITIONS

1. Right to Sell: Enterprise shall have the non-exclusive right to sell any Vehicles consigned to Enterprise by a CUSTOMER within the Geographic Territory.
2. Power of Attorney: CUSTOMER appoints Enterprise as its true and lawful attorney-in-fact to sign Vehicle titles on behalf of CUSTOMER for transfer of same and hereby grant it power in any and all matters pertaining to the transfer of Vehicle titles and any papers necessary thereto on behalf of CUSTOMER. The rights, powers and authorities of said attorney-in-fact granted in this instrument shall commence and be in full force and effect on the Execution Date, and such rights, powers and authority shall remain in full force and effect thereafter until terminated as set forth herein.
3. Assignments: Vehicle assignments may be issued to Enterprise by phone, fax, or electronically.
4. Service Fee: For each Vehicle sold, the CUSTOMER shall pay Enterprise a fee of \$0.00 (“Service Charge/ Disposal Fee”) plus towing and de-identification at prevailing rates.
5. Sales Process: Enterprise shall use reasonable efforts sell each Vehicle. CUSTOMER may, at its discretion, place a Minimum Bid on any Vehicle by providing prior written notification to Enterprise.
6. Time for Payment:
 - (a) No later than ten (10) business days after the collection of funds for the sale of a Vehicle, Enterprise will remit to the CUSTOMER an amount equal to the Vehicle sale price minus any seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees and any expenses incurred by Enterprise while selling Vehicle, regardless of whether the purchaser pays for the Vehicle.
 - (b) Enterprise's obligations pursuant to Section 6(a) shall not apply to Vehicle sales involving mistakes or inadvertences in the sales process where Enterprise reasonably believes that fairness to the buyer or seller justifies the cancellation or reversal of the sale. If Enterprise has already remitted payment to CUSTOMER pursuant to Section 6(a) prior to the sale being reversed or cancelled, CUSTOMER agrees to reimburse Enterprise said

payment in full. Enterprise will then re-list the Vehicle and pay CUSTOMER in accordance with this Section 6. Examples of mistakes or inadvertences include, but are not limited, to Vehicles sold using inaccurate or incomplete vehicle or title descriptions and bids entered erroneously.

7. Indemnification and Hold Harmless: Enterprise and CUSTOMER agree to indemnify, defend and hold each other and its parent, employees and agents harmless to the extent any loss, damage, or liability arises from the negligence or willful misconduct of the other, its agents or employees, and for its breach of any term of this Agreement. The parties' obligations under this section shall survive termination of this Agreement.
8. Liens, Judgments, Titles and Defects: CUSTOMER shall defend, indemnify and hold Enterprise its parent, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon, or resulting from any judgments, liens or citations that were placed on the Vehicle, defects in the Vehicle's title, or mechanical or design defects in the Vehicle.
9. Odometer: Enterprise assumes no responsibility for the correctness of the odometer reading on any Vehicle and the CUSTOMER shall defend, indemnify and hold Enterprise its parent, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon or resulting from inaccuracy of the odometer reading on any Vehicle or any odometer statement prepared in connection with the sale of any Vehicle, unless such inaccuracy is caused by an employee, Enterprise, or officer of Enterprise.
10. Bankruptcy: Subject to applicable law, in the event of the filing by CUSTOMER of a petition in bankruptcy or an involuntary assignment of its assets for the benefit of creditors, Enterprise may accumulate sales proceeds from the sale of all Vehicles and deduct seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees and any expenses incurred by Enterprise while selling Vehicle from said funds. Enterprise will thereafter remit to CUSTOMER the net proceeds of said accumulated sales proceeds, if any.
11. Compliance with Laws: Enterprise shall comply with all federal, state, and local laws, regulations, ordinances, and statutes, including those of any state motor vehicle departments, department of insurance, and the Federal Odometer Act.
12. Insurance: CUSTOMER shall obtain and maintain in force at all times during the term of this Agreement and keep in place until each Vehicle is sold and title is transferred on each Vehicle, automobile third party liability of \$1,000,000 per occurrence and physical damage coverage on all Vehicles. This insurance shall be written as a primary policy and not contributing with any insurance coverage or self-insurance applicable to Enterprise.
13. Term: This agreement is effective on the Execution Date and shall continue until such time as either party shall notify the other party with thirty (30) days prior written notice to terminate the Agreement with or without cause.
14. Modification: No modification, amendment or waiver of this Agreement or any of its provisions shall be binding unless in writing and duly signed by the parties hereto.
15. Entire Agreement: This Agreement constitutes the entire Agreement between the parties and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, with respect to the subject matter hereto.
16. Liability Limit: In the event Enterprise is responsible for any damage to a Vehicle, Enterprise's liability for damage to a Vehicle in its possession shall be limited to the lesser of: (1) the actual cost to repair the damage to such vehicle suffered while in Enterprise's possession; or (2) the

negative impact to the salvage value of such vehicle. Enterprise shall not be liable for any other damages to a Vehicle of any kind, including but not limited to special, incidental, consequential or other damages.

- 17. Attorney's Fees: In the event that a party hereto institutes any action or proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorney's fees and costs for legal services rendered to the prevailing party.
- 18. Authorization: Each party represents and warrants to the other party that the person signing this Agreement on behalf of such party is duly authorized to bind such party.

"ENTERPRISE"

"CUSTOMER"

By _____
Signature

By _____
Signature

Printed Name:

Printed Name:

Title:

Title:

Date

Date

Exhibit A

Vehicles To Be Sold By Enterprise Pursuant to Consignment Auction Agreement

Vin Number	Year	Make/Model

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this twentieth day of July, 2017, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's

under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: Town of Paradise

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc., its attorney in fact

By: _____
Title: _____

By: Regina Charette
Title: Finance Manager

Address: 5555 Skyway
Paradise, CA 95969

Address: 150 N. Sunrise Ave. Dept. 2D
Roseville, CA 95661

Date Signed: _____, _____

Date Signed: _____, _____

MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this twentieth day of July, 2017, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and Town of Paradise ("Lessee").

WITNESSETH

1. LEASE. Reference is hereby made to that certain Master Equity Lease Agreement dated as of the twentieth day of July, 2017, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

2. COVERED VEHICLES. This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

3. TERM AND TERMINATION. The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

4. VEHICLE REPAIRS AND SERVICE. EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed \$50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding \$50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

5. ENTERPRISE CARDS: EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

6. PAYMENT TERMS. The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

7. NO WARRANTIES. Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

8. LESSOR NOT A PARTY. Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

9. NOTICES. Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day on which mailed, if sent by registered or certified mail.

10. MISCELLANEOUS. This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

LESSEE: Town of Paradise

EFM: Enterprise Fleet Management, Inc.

By: _____
Title: _____

By: Regina Charette
Title: Finance Manager

Address: 5555 Skyway
Paradise, CA 95969

Address: 150 N. Sunrise Ave. Dept. 2D
Roseville, CA 95661

Attention: _____

Attention: _____

Facsimile No.: _____

Facsimile No.: _____

Date Signed: _____, _____

Date Signed _____, _____



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 6(b)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: Town of Paradise Facilities Condition Assessment

COUNCIL ACTION REQUESTED:

1. Consider awarding Contract 17-11 to Dude Solutions in the amount of their proposal of \$12,334.17 for the Town of Paradise Facilities Condition Assessment and Capital Forecast, contingent upon approval of an agreement by the Town Attorney; and, 2. Authorizing the Town Manager to sign the agreement.

Background:

On March 21, 2017, Paradise Town Council convened to discuss and set priorities for the 2017/2018 Fiscal Year. Among the priorities identified, a complete inventory and report of the Town of Paradise's existing facilities and properties was requested. The purpose of such a report will be to fully understand the Town's current assets and future needs for maintenance and operations. Undeveloped properties were also requested to be evaluated to determine the best fit for long term retention and planning or possible sale.

Analysis:

To further Council's priorities, the Public Works Department has identified Dude Solutions, Inc., (DSI) a national firm with local partners, to perform the most comprehensive facilities inventory in the Town's history. DSI is an experienced firm that specializes in coordination of necessary inventories and aiding municipalities management of their facilities needs.

The field data collection and condition assessment is meant to capture information of all major building systems to the individual component level, including all components considered capital repair items (as opposed to maintenance level items). A summary of their assessment is provided below:

General

- Inventory all major building equipment including quantity, size, asset tag number, manufacturer, model and serial number.
- Identify deficient conditions in terms of deferred maintenance and building condition.
- Provide a reasonable cost analysis for the above-mentioned efforts.
- For single building projects, provide a report for the property that details the assessment data.
- For multi-building projects, data will be collected from every building in the portfolio. Reports will be prepared as follows:
 - Major buildings a separate report will be prepared.
 - Smaller buildings will be grouped into reports by building type, geography or other logical grouping
- Provide individual cost tables and digital photographs to document the conditions at each property.

- Based on observations and information obtained from available on-site personnel, The DSI Partner will visually inspect all facilities and properties.

Air Conditioning System

- Identify the material air-conditioning components, including cooling towers, chillers, and major labeled equipment. Excluded are window units, terminal units, VAV boxes, thermostatic controls.

Roofing System

- Identify the material roof systems, including roof type, reported age, slope, drainage, or any unusual roofing conditions. The team will observe for evidence of material repairs, significant ponding, or evidence of material roof leaks.

Electrical System

- Identify the electrical service provided and distribution system at the subject property. Observation and evaluation will include switchgear, transformers, emergency generators and main distribution panels. Excluded are step down transformers.

Plumbing

- Identify the material plumbing systems at the subject property, including domestic water supply, domestic hot water production over 80 gallons, sanitary sewer, primary backflow preventer or any special or unusual plumbing systems (such as fuel systems, gas systems).

Building Envelope

- Identify the material elements of the building exterior, to include walls, doors, windows, and fire escapes. This will also include the façade, curtain-wall systems, glazing, exterior sealant, exterior balconies, and stairways. Observations may be subject to grade, accessible balconies, and rooftop vantage points.

Structural Components

- Evaluate the footings, foundations, slabs, columns, framing system, and roof framing system as part of the structural inspection for soundness. Observations will be subject to grade and visibility of components. This is a visual inspection only and no structural testing of components or materials will be undertaken.

Site Paving

- Observe and evaluate the site paving components including paving, curbs, drains and sidewalks.

Life Safety/Security

- Alarm Panels
- Emergency generators
- Exhaust hood fire suppression

In general, the completed condition facilities assessment will enable the Town to review a living document/database with detailed recommendations, cost estimates and priorities. A complete copy of the Scope of Work is attached to this agenda item. Following completion, staff will provide an update to Council with a property-by-property breakdown of each facility's needs and projected costs, enabling a more informed discussion on future budgetary needs and potential market values.

Financial Impact:

The total cost complete facilities condition assessment and first year of data management is \$12,334.17. Ongoing costs to maintain the database, if desired, are expected at \$935.00 per year. Funding for this contract has been identified as General Fund, Central Services, Professional/Contract Services (Account No. 1010.20.4201.5213.100).

PREPARED FOR
Town of Paradise

,

PREPARED BY
Dude Solutions, Inc.

PUBLISHED ON
July 31, 2017

Pricing for this proposal is based on:

Subscription		
Capital Forecast	10 months	\$779.17
Subtotal:		\$779.17
Implementation & Services		
<ul style="list-style-type: none"> • Facility Condition Assessment for 75,000 Sq. Ft. • Capital Forecast - Quick Start 		
Subtotal:		\$11,555.00
Total Initial Investment		\$12,334.17 USD
Pricing for the First Renewal Term is \$935.00		

Quick Start

Online support and training is standard with each subscription and includes:

QuickStart is our product implementation service to accelerate time to value. A Dude Client Advisor provides the guidance you need to ensure a smooth transition and boost user adoption. This service includes goal setting, timeline planning, and online training sessions.

Support

- A live representative is happy to help Monday to Friday, excluding holidays, 8am - 6pm ET. After hours inquiries will be responded to the next business day.
- Send us an email – we answer 99% of our support emails within 1 hour.
- Reach us instantly through our software with live chat!
- Best practices webinars and podcasts which share new trends, popular reports, and tips.
- Training review webcasts are a great resource for clients who need a refresher after their initial training , or for new employees that could benefit from a training session.

Facility Condition Assessment with Narrative Report

Includes Data Gathering and Import of Data into DSI Software

Purpose:

The purpose of the partnership facility condition assessment is to assess the facilities based on the following scope, provide narratives that summarize assessment observations and comments, and to import the data into the client's Dude Solutions capital forecasting and maintenance solutions.

All condition assessments will include a bound deliverable containing:

- Narrative report with description of systems and corresponding conditions.
- Digital photos of key components and deficiencies as an Appendix in the narrative.
- 20 year capital Reserve table with systems and component replacement costs and dates.
- Import of systems level detail into client's capital forecasting solution.
- Import major equipment level detail into client's Dude Solutions maintenance solution.

Field data collection and condition assessment:

The field data collection and condition assessment is meant to capture information of all major building systems to the individual component level, including all components considered capital repair items (as opposed to maintenance level items). This includes site paving, HVAC, roofing, electrical, plumbing, vertical transportation systems, building envelope and structural systems.

A Certified Dude Solutions Partner (DSI Partner) will collect, document, and analyze the facilities assessment data to achieve the following:

- At the start of each building or facility assessment we will interview client's staff to understand what improvements have been made in the last three years, what improvements are planned in the next three years and known problems.
- Inventory all major building equipment including quantity, size, asset tag number, manufacturer, model and serial number.
- Identify deficient conditions in terms of deferred maintenance and building condition.
- Provide a reasonable cost analysis for the above-mentioned efforts.

- For single building projects, provide a report for the property that details the assessment data.
- For multi-building projects, data will be collected from every building in the portfolio. Reports will be prepared as follows:
 - Major buildings (generally defined as 25,000 square feet or greater and approximately 10% of the project portfolio), a separate report will be prepared.
 - Smaller buildings will be grouped into reports by building type, geography or other logical grouping (for example maintenance structures, parks assets, fire stations...)
- Provide individual cost tables and digital photographs to document the deficient conditions at each property.
- Based on observations and information obtained from available on-site personnel, The DSI Partner will visually inspect all facilities and properties. Specifically, the assessment will focus on the following components:
 - Heating System
 - Identify boilers, furnaces, and major labeled equipment.
 - Ventilation System
 - Identify the ventilation systems at the property and assess its overall condition.

Air Conditioning System

- Identify the material air-conditioning components, including cooling towers, chillers, and major labeled equipment. Excluded are window units, terminal units, VAV boxes, thermostatic controls.

Roofing System

- Identify the material roof systems, including roof type, reported age, slope, drainage, or any unusual roofing conditions. The team will observe for evidence of material repairs, significant ponding, or evidence of material roof leaks.

Electrical System

- Identify the electrical service provided and distribution system at the subject property. Observation and evaluation will include switchgear, transformers, emergency generators and main distribution panels. Excluded are step down transformers.

Plumbing

- Identify the material plumbing systems at the subject property, including domestic water supply, domestic hot water production over 80 gallons, sanitary sewer, primary backflow preventer or any special or unusual plumbing systems (such as fuel systems, gas systems).

Vertical Transportation

- Identify the existing vertical transportation equipment and provide an overall assessment. Detail deficiencies for each elevator and provide an analysis of the remaining useful life, along with budgets for any expected expenditures up to and including modernization or replacement.

Building Envelope

- Identify the material elements of the building exterior, to include walls, doors, windows, and fire escapes. This will also include the façade, curtain-wall systems, glazing, exterior sealant, exterior balconies, and stairways. Observations may be subject to grade, accessible balconies, and rooftop vantage points.

Structural Components

- Evaluate the footings, foundations, slabs, columns, floor framing system, and roof framing system as part of the structural inspection for soundness. Observations will be subject to grade and visibility of components. This is a visual inspection only and no structural testing of components or materials will be undertaken.

Site Paving

- Observe and evaluate the site paving components including paving, curbs, drains and sidewalks.

Commercial Kitchen- major equipment (above approximately \$2000 value)

- Walk-in freezer and refrigerator equipment
- Ovens, stoves, broilers, grills
- Reach-in refrigerators and freezers
- Dishwashers
- Fryers
- Life Safety/Security
- High Level (system level) only-for identification to track maintenance
- Alarm Panels
- Emergency generators
- Exhaust hood fire suppression

Evaluation-

At the conclusion of the assessment(s), the prepared reports as described above will include:

- A general description of the property and improvements and comment generally on observed conditions.
- Comments for components that are exhibiting deferred maintenance issues and provide estimates for "immediate" and "capital repair" costs based on observed conditions, available maintenance history and industry-standard useful life estimates. If applicable, this analysis will include the review of any available documents pertaining to capital improvements completed within the last three years, or currently under contract. DSI Partner shall also inquire about available maintenance records and procedures and interview current available on-site maintenance staff.
- A schedule for recommended replacement or repairs (schedule of priorities).
- Address critical repairs separately from repairs anticipated over the term of the analysis.
- A FCI index number for each building.
- A twenty year capital plan with an Executive Summary with graphic presentation of results to provide a quick, "user-friendly" summary of the property's observed condition and estimated costs assigned by category.

Cost Estimating-

Each single building report will include an estimated cost for each system or component repair or replacement anticipated during the evaluation term. The capital needs analysis will be presented as an Excel-based cost table that includes a summary of the description of each component, the age and estimated remaining useful life, the anticipated year of repair or replacement, quantity, unit cost and total cost for the repair of each line item. A consolidated Capital Needs Analysis will be presented that includes all anticipated capital needs for all buildings.

In addition to the detailed description of the deficiencies, we will provide cost estimates for the deficiencies noted. The cost estimate for capital deficiencies will be based on the estimate for maintenance and repair. Project management costs, construction fees, and design fees will be derived using actual costs from previous projects, if available.

DSI Partners use the Uniformat system and the Whitestone Research model for cost estimating. Dude Solutions also maintains and updates our cost estimating system with information received from the field. Through our construction monitoring work, we have current cost data from hundreds of in-progress construction and rehabilitation projects. This allows us to project costs based on local conditions and to maintain a cost database that in most cases is more current than published models.

Building Systems Equipment Inventory

An asset survey of major building systems will be conducted for the purpose of noting remaining useful life of major building equipment. A complete equipment inventory for each system will be recorded with information populated to client's account including:

- Building name
- System name (classification)
- Subsystem name (type)
- Component name (description)
- Unit of measure
- Quantity
- Asset tag number
- Manufacturer
- Model
- Serial Number
- Date put in service (if available)
- Condition
- Remaining useful life
- Replacement cost

Report/Data review and import to client's Dude Solutions account

Completed report(s) and data files will be provided to client following site visit, typically 3-4 weeks after end of onsite activity. Client will have up to 30 days following receipt of reports/data files to review and request revisions. The Certified Dude Solutions Partner is available to do a "Page Turn Review" of the reports/data files via web based conference call meeting during this period. At conclusion of the 30 day review time, the Certified Dude Solutions Partner will prepare final import files and submit them to Dude Solutions where the information will be imported to the client's account.

After a successful import, the customer will have 5 business days to review the system data for completeness and accuracy. If there is no feedback or request updates to the system data, then the data import will be deemed complete and the "Import Complete" task will be closed and considered accepted by the customer. Should any revisions be identified or required upon customer review of system data during the 5 day review period, Dude Solutions will engage the customer and the Certified Dude Solutions Partner to review requested revisions and determine the nature, level of effort, and feasibility of correcting the data in question. Dude Solutions will work with the Certified Dude Solutions Partner to validate the requested changes to incorporate them into the system. Once the changes are completed, the customer will have an opportunity to do a final pass and validation of the data for completeness.

Any further changes requested by customer at this point will be reviewed. Dude Solutions reserves the right to charge an additional consulting fee to make any further changes not deemed to be in scope of the original project.

Milestone Definitions

Mobilization:

Activity that occurs from project initiation with the service partner until the service partner arrives at job site.

On-Site Field Activity:

Field work that occurs while the service partner is at job site.

Data Management:

Data activity, including quality assurance and control, that occurs after field work is completed to produce the data file. The Data Gathering service shall include a data upload.

Report:

Report generation and delivery.

Milestone Billing Schedules

Your service will be invoiced at the following percentages as the associated milestone is completed:

Mobilization – 15%

On-Site Field Activity – 35%

Data Management – 35%

Report – 15%

Terms of Service:

- Proposal has been prepared for Town of Paradise
- Proposal expires in 60 days
- Initial Term: 10 months
- Payment: Terms are net 30 days
- Billing frequency other than annual is subject to additional processing fees
- Automatic invoicing of annual fee will occur at the end of each term unless request for non-renewal is received in writing 30 days prior to renewal date.
- Applicable sales taxes are in addition to the quoted price. If your organization is tax exempt, please email a copy of your Tax Exemption Certificate to [accounting@Dude Solutions.com](mailto:accounting@DudeSolutions.com) (<mailto:accounting@dudesolutions.com>).

- Please address purchase order to: Dude Solutions, 11000 Regency Parkway, Suite 110, Cary, NC 27518
- Service dates are scheduled Monday-Friday
- Final invoicing for Facility Condition Assessment will occur when draft reports/data files are delivered. For Facility Condition Assessment projects larger than 154,000 square feet, invoicing will occur based on a milestone billing schedule as defined within this scope.
- If a service day is rescheduled or cancelled by Town of Paradise, then Town of Paradise is responsible for any cancellation fees incurred by rescheduling or cancelling travel and living fees.
- Onsite service days rescheduled less than 2 weeks before the scheduled delivery date will incur cancellation fees.
- Services will be scheduled upon written acceptance of the terms and conditions of this proposal.
- We must allow six weeks of lead time from the purchase date for booking service for travel and living purposes.
- Dude Solutions, Inc. maintains the necessary liability coverage for their products and services. Proof of insurance can be provided upon request.
- If within 60 days of order you are not completely satisfied, you can cancel your service for a full refund of subscription fees.
- The terms and conditions ("Terms") of this offer are based upon Dude Solutions, Inc.'s [Online Subscription Agreement \(http://dudesolutions.com/terms\)](http://dudesolutions.com/terms). Acceptance is expressly limited to these Terms. Any additional or different terms proposed by you (including, without limitation, any terms contained in any document incorporated by reference into the Purchase Order) are objected to and rejected and will be deemed a material alteration hereof, unless expressly assented to in writing by DSI.



Dude University 2018

We are committed to helping you build your knowledge, network and skills – and Dude [University 2018](http://www.university2018.com/) (<http://www.university2018.com/>) in San Diego, CA is the best training and professional development for operations management professionals. There is only one Dude University in 2018 so make sure you don't miss four days of intensive training where you can:

- Build a strategic vision for your department and ensure goals align with the mission and vision of your organization.
- Save your organization time and money by investing in the training you need to keep your operations excellent and highly efficient.
- Learn how your peers are successfully overcoming similar challenges so you can be a leader of positive change.
- Receive hands on training and 1on1 guidance from our Client Success experts.

To help make this a no-hassle experience, we have created the Dude Deal, which includes conference registration fees, **4 night's hotel accommodation guaranteed in the conference hotel (check-in Saturday, March 17, 2018 and check-out Wednesday March 21, 2018)**, and complimentary guest room internet. Your registration also includes:

- Industry specific professional development and leadership workshops
- Beginner and advanced solution training classes
- Peer-led best practices roundtables and panel discussions
- Hands-on solution training
- Sunday Opening General Session & Motivational Keynote Speaker
- Registered conference attendees also receive the following meals included:
 - **Sunday Welcome Reception & Dinner**
 - **Hot breakfast Sunday, Monday, Tuesday and Wednesday for conference guest**
 - **Networking lunch on Monday & Tuesday**
 - **A Client Appreciation Dinner Tuesday**

The All-Inclusive rate for 4 nights of hotel accommodations and conference registration fee is \$1,635. This rate is available on a first come, first serve basis until we sell out or until December 31, 2017, whichever occurs first.

[Click Here for All University 2018 Policies \(https://www.university2018.com/faq\)](https://www.university2018.com/faq)

Payment, Cancellations & Substitutions

- Dude Deal Registrations must be paid in full at the time of booking to secure your hotel room.
- Registrations made after January 26, 2018 must be paid in full at the time of registration booking.

- Written cancellations received by [university@dudesolutions.com \(mailto:university@dudesolutions.com\)](mailto:university@dudesolutions.com) before January 26, 2018 receive a full refund. No refunds are issued after this date.
- Conference attendee substitutions will be accepted through February 23, 2018.

Hotel Rooms

- The hotel does require a major credit card at check-in, no exceptions are permitted.

Signature

Presented to:

Q-50278

July 31, 2017, 11:57:37 AM

Accepted by:

Printed Name

Signed Name

Title

Date



TOWN OF PARADISE
Council Agenda Summary
Date: October 10, 2017

Agenda No. 6(c)

ORIGINATED BY: Marc Mattox, Public Works Director / Town Engineer

REVIEWED BY: Lauren Gill, Town Manager

SUBJECT: SB-1 Road Maintenance and Rehabilitation Account Project List

COUNCIL ACTION REQUESTED:

1. Adopt a resolution amending the FY 2017-18 Capital Improvement Program Budget and the Gas Tax/Street Maintenance Fund budget to incorporate estimated new SB-1 revenues dedicated to major projects and ongoing maintenance.

Background:

On April 28, 2017, Governor Brown signed Senate Bill 1, the Road Repair and Accountability Act of 2017, increasing per gallon fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees with inflationary adjustments to tax rates in the future for the purpose of addressing road maintenance, rehabilitation, and roadway safety needs. The State Controller will deposit portions of the new funding into the Road Maintenance & Rehabilitation Account (RMRA), which will be apportioned by formula to eligible cities and counties. Funds are anticipated to apportion to cities and counties beginning January 2018.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs and, therefore, requires cities and counties to provide basic RMRA project reporting to the California Transportation Commission (CTC). Per the program's requirements, jurisdictions are required to submit a project list to the CTC with locations, schedule, and estimated useful life of the project before they can receive RMRA funds.

Analysis:

The Town is required to submit a proposed project list and approved budget update to the CTC by October 16, 2017 in order to receive RMRA funds when the apportionment begins in January. The Town will continue to receive apportionments monthly. The League of California Cities estimates that the Town of Paradise will receive \$178,000 of RMRA funds in the 2017/2018 fiscal year and about \$474,000 per year thereafter.

On August 31, 2017, the Town of Paradise received notice from the California Transportation Commission staff was recommending the inclusion of the Paradise Gap Closure Complex under the SB-1 Active Transportation Program Augmentation awards. This is a \$3.78M grant to fund new drainage, sidewalks and bike lanes along Elliott Road from Skyway to Almond, Birch Street from Skyway to Black Olive, Fir Street from Skyway to Black Olive, Foster Road from Pearson to Birch and Black Olive Drive from Pearson to Fir. This award, heading to CTC for formal approval in late October 2017, represents the perfect opportunity to address the substandard roadway conditions within the project area. The use of new RMRA funds for this project is recommended, as reflected in the revised Capital Improvement Plan 9385. The project is also in full coordination with the Almond St. Multi-Modal Improvements, a similar \$4M investment in the area and a PG&E-led Underground Utility District which encompasses both projects. Combined,

this will represent the largest investment into the Town's infrastructure in over two decades – hitting numerous goals and objectives of SB-1, ATP and downtown revitalization. To facilitate this effort, the Town proposes combining portions of 17/18, 18/19 and 19/20 RMRA funds to be expended as construction schedule allows.

In the short term, staff anticipates utilizing \$115,000 of FY17-18 funds for ongoing maintenance needs on the Town's roadway network in the street maintenance division through traffic signal upgrades, roadway restriping, filling potholes, clearing ditches and repairing sidewalks. Without the use of new SB-1 funding to supplement the Department's ongoing budget needs, the Town Council would be forced to consider drastic reductions in staff or services in this area. Throughout the prior three years, gas tax has been deficit spending to maintain these services, reducing a budget surplus from \$400,000 to a projected \$90,000 reserve.

Finally, staff expects to bring a formal report to Council in early 2018 with the results of the Town-wide roadway condition survey. This survey will yield a living system which can be updated when progress is made towards a prioritized list of projects with varying funding scenarios. Upon receipt, the Town will be able to allocate future SB-1 funds in accordance with the survey's recommendations.

Financial Impact:

The Town of Paradise anticipates receiving \$178,000 of RMRA funds in the 2017/2018 fiscal year and about \$474,000 per year thereafter for the 10-year life of SB-1. The funds must be utilized to repair, rehabilitate, or maintain roadways within the Town. SB-1 will fund approximately \$115,000 of gas tax / street operations for the 2017/2018 fiscal year.

RESOLUTION NO. _____

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF
PARADISE AMENDING THE 2017-2018 CAPITAL
IMPROVEMENT BUDGET AND THE GAS TAX STREETS
BUDGET TO INCORPORATE A LIST OF PROJECTS AND
MAINTENANCE ACTIVITIES FUNDED BY SB 1 THE ROAD
REPAIR AND ACCOUNTABILITY ACT**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of our Town are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the Town must include a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, in the Town/County budget, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the Town will receive and estimated \$178,000 in RMRA funding in Fiscal Year 2017-18 from SB 1; and

WHEREAS, the funding from SB 1 will help the Town maintain and rehabilitate 100 miles of road and add active transportation infrastructure throughout the Town this year and of similar projects into the future; and

WHEREAS, the 2016 California Statewide Local Streets and Roads Needs Assessment found that the Town streets and roads are in an "at-risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into a "good" condition; and

WHEREAS, without revenue from SB 1, the Town, would have otherwise been canceling projects throughout the community and/or laying off Town staff; and

WHEREAS, if the Legislature and Governor failed to act, Town streets and county roads would have continued to deteriorate, having many and varied negative impacts on our community; and

WHEREAS, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment we open our front door to drive to work, bike to school, or walk to the bus station, people are dependent upon a safe, reliable local transportation network; and

WHEREAS, modernizing the local street and road system provides well-paying construction jobs and boosts local economies; and

WHEREAS, the local street and road system is also critical for farm to market needs, interconnectivity, multimodal needs, and commerce; and

WHEREAS, police, fire, and emergency medical services all need safe reliable roads to react quickly to emergency calls and a few minutes of delay can be a matter of life and death; and

WHEREAS, maintaining and preserving the local street and road system in good condition will reduce drive times and traffic congestion, improve bicycle safety, and make the pedestrian experience safer and more appealing, which leads to reduce vehicle emissions helping the State achieve its air quality and greenhouse gas emissions reductions goals; and

WHEREAS, restoring roads before they fail also reduces construction time which results in less air pollution from heavy equipment and less water pollution from site run-off; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Town Council of the Town of Paradise, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The CIP Budget and Gas Tax Streets Budget for fiscal year 2017-18 is amended to incorporate the attached list of projects and maintenance activities planned to be funded with Road Maintenance and Rehabilitation Account revenues.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 10th day of October, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Scott Lotter, Mayor

ATTEST:

BY: _____
Dina Volenski, Town Clerk

APPROVED AS TO LEGAL FORM:

BY: _____
Dwight L. Moore, Town Attorney

Part 2: Project Information

Local Streets and Roads Program

* Required

Proposed Project (PP#)	LoCode	* Project Title	Project ID (if any)	Project Type ?		* Project Description ?	* Project Location ?	* Estimated Completion Date		* Estimated Useful Life (# of Yr)		Legislative District(s)				Additional Project Elements (Does the project include element(s) as described in SHC 2030 (c)-(f)? (Select Y/N from dropdown list) ?					
				Type (Select from dropdown list)	Explanation (if "Other" is selected, please explain) ?			Pre-Construction (mm/yyyy)	Construction (mm/yyyy)	Min.	Max.	State Senate		State Assembly		Sustainability ?	Technologies ?	Climate Change ?	Complete Streets Elements ?	Description of Elements	
PP01		Paradise Gap Closure Complex	17-04	Complete Streets Components		Project will leverage \$3.8M in ATP funds and address roadway needs by utilizing Cold Central Plan Recycling and essentially reconstructing a new roadway section concurrently with an underground utility district and construction of new sidewalks, bike lanes and bike paths.	Birch Street (Skyway to Black Olive), Fir Street (Skyway to Black Olive), Foster Road (Pearson to Birch), Black Olive Drive (Pearson to Fir) and Elliott Road (Skyway to Almond)	06/2018	09/2020	10	30										
PP02		Traffic Signal Upgrades				Project will replace aging traffic signal equipment and lights including cabinets and service meters	Various traffic signals throughout Paradise	12/2017	06/2018	10	20										
PP03		Town Roadway Striping				Project will replace aging traffic striping with new coat of paint	Major roadways including Skyway, Elliott, Bille, Wagstaff, Pentz, Oliver	06/2017	06/2018	2	3										
PP04		Gas Tax Maintenance Program				Ongoing transportation infrastructure maintenance needs including weed abatement and hazard removal, drainage culvert replacements and claring, roadway digouts and potholes, tree removal and clearing	Various locations throughout the Town of Paradise's 100 centerline miles	06/2017	06/2018	1	10										
PP05																					
PP06																					
PP07																					
PP08																					
PP09																					
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**TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN**

Project Name: Cypress Curve Realignment Project
Project Number: 9368, HSIPL 5425 (025)

Est. Start Date: 07/2014
Est. Completion Date: 06/2017

Project Description: Improve vertical and horizontal alignments; improve drainage; widen shoulders on Clark Road between Adams Road and Kimberly Lane.

Project Development Costs

Code	Project Costs	Prior Years	2016-17 Estimated				Total Costs
			Actual	2017-18	2018-19	2019-20	
10	Preliminary Engineering	\$ 166,626	\$ 29,889	\$ -	\$ -	\$ -	\$ 196,515
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Right of Way & Utility Relocation	\$ 36,190	\$ 6,855	\$ 12,432	\$ -	\$ -	\$ 55,477
30	Construction Engineering	\$ -	\$ 3,449	\$ 60,000	\$ -	\$ -	\$ 63,449
40	Construction	\$ -	\$ 38,287	\$ 841,139	\$ -	\$ -	\$ 879,426
50	Construction Contingency	\$ -	\$ -	\$ 87,942	\$ -	\$ -	\$ 87,942
Annual Total		\$ 202,816	\$ 78,480	\$ 1,001,513	\$ -	\$ -	\$ 1,282,809

Project Development Funding

Code	Project Funding	Prior Years	2016-17 Estimated				Total Funding
			Actual	2017-18	2018-19	2019-20	
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 2,998	\$ -	\$ -	\$ -	\$ 2,998
2120	Gas Tax/Streets	\$ 16,663	\$ -	\$ -	\$ -	\$ -	\$ 16,663
2132	Federal HSIP	\$ 186,153	\$ 75,482	\$ 983,513	\$ -	\$ -	\$ 1,245,148
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ 18,000
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ 202,816	\$ 78,480	\$ 1,001,513	\$ -	\$ -	\$ 1,282,809

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Pearson Rd SR2S Connectivity Project
Project Number: 9371, ATPL 5425 (029)

Est. Start Date: 02/2015
Est. Completion Date: 06/2016

Project Description: Specific improvements include the construction of sidewalk, curb and gutter on the south side of Pearson Road between Black Olive Drive and Academy Drive. In addition, the project includes construction of curb, gutter and sidewalk on the south side of Pearson Road between Skyway and Almond Street.

Project Development Costs								
Code	Project Costs	Prior Years	2016-17 Estimated			2018-19	2019-20	Total Costs
			Actual	2017-18	2018-19			
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Project Approval & Environmental Document	\$ 35,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,766
12	Plans, Specifications & Estimates	\$ 179,048	\$ 23,142	\$ -	\$ -	\$ -	\$ -	\$ 202,190
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Construction Engineering	\$ -	\$ 10,000	\$ 26,808	\$ -	\$ -	\$ -	\$ 36,808
40	Construction	\$ -	\$ 688,508	\$ 276,192	\$ -	\$ -	\$ -	\$ 964,700
50	Construction Contingency	\$ -	\$ -	\$ 68,966	\$ -	\$ -	\$ -	\$ 68,966
60	Non-Infrastructure Component	\$ -	\$ 40,000	\$ 51,000	\$ -	\$ -	\$ -	\$ 91,000
Annual Total		\$ 214,814	\$ 761,650	\$ 422,966	\$ -	\$ -	\$ -	\$ 1,399,430

Project Development Funding								
Code	Project Funding	Prior Years	2016-17 Estimated			2018-19	2019-20	Total Funding
			Actual	2017-18	2018-19			
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 20,000
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2133	State ATP	\$ 214,814	\$ 748,130	\$ 412,781	\$ -	\$ -	\$ -	\$ 1,375,725
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7629	Hydrant Maintenance Fund	\$ -	\$ 3,520	\$ 185	\$ -	\$ -	\$ -	\$ 3,705
Annual Total		\$ 214,814	\$ 761,650	\$ 422,966	\$ -	\$ -	\$ -	\$ 1,399,430

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Maxwell Dr SR2S Project
Project Number: 9372, ATPL 5425 (030)

Est. Start Date: 02/2015
Est. Completion Date: 12/2017

Project Description: The proposed project aims to improve safety and increase non-motorized transportation to Paradise High School on Maxwell Drive. The project includes construction of sidewalk, curb and gutter along the one side of Maxwell Drive while widening shoulders, as needed to facilitate the addition of Class II Bicycle Lanes on both sides of Maxwell Drive between Skyway and Elliott Road, a 0.56 mile stretch.

Project Development Costs

Code	Project Costs	Prior Years	2016-17 Estimated				Total Costs
			Actual	2017-18	2018-19	2019-20	
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Project Approval & Environmental Document	\$ 23,411	\$ -	\$ -	\$ -	\$ -	\$ 23,411
12	Plans, Specifications & Estimates	\$ 78,627	\$ 6,182	\$ -	\$ -	\$ -	\$ 84,809
30	Construction Engineering	\$ -	\$ 15,000	\$ 48,000	\$ -	\$ -	\$ 63,000
40	Construction	\$ -	\$ 350,000	\$ 290,041	\$ -	\$ -	\$ 640,041
50	Construction Contingency	\$ -	\$ -	\$ 63,003	\$ -	\$ -	\$ 63,003
60	Non-Infrastructure Component	\$ -	\$ 20,000	\$ 46,000	\$ -	\$ -	\$ 66,000
Annual Total		\$ 102,038	\$ 391,182	\$ 447,044	\$ -	\$ -	\$ 940,264

Project Development Funding

Code	Project Funding	Prior Years	2016-17 Estimated				Total Funding
			Actual	2017-18	2018-19	2019-20	
1010	Measure "C"	\$ -	\$ -	\$ 76,045	\$ -	\$ -	\$ 76,045
2110	Local Transportation (Transit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2133	State ATP	\$ 102,038	\$ 391,182	\$ 355,999	\$ -	\$ -	\$ 849,219
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Annual Total		\$ 102,038	\$ 391,182	\$ 447,044	\$ -	\$ -	\$ 940,264

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Paradise Sewer Project
Project Number: 9376

Est. Start Date: 12/2015
Est. Completion Date: 12/2017

Project Description: The proposed project will study wastewater alternatives for a to be determined special assessment district. Alternatives include the following: (A) Localized treatment plant(s), (B) Surface water discharge location(s), (C) Direct connection to the City of Chico WPCP, (D) Beneficial Reuse/Innovative Technology Solution, (E) No Project. Project also includes extensive public outreach and transition efforts to the preliminary engineering project phase.

Project Development Costs								
Code	Project Costs	Prior Years	2016-17 Estimated				Total Costs	
			Actual	2017-18	2018-19	2019-20		
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	Alternatives Analysis	\$ 98,151	\$ 279,974	\$ 121,875	\$ -	\$ -	\$ -	\$ 500,000
Annual Total		\$ 98,151	\$ 279,974	\$ 121,875	\$ -	\$ -	\$ -	\$ 500,000

Project Development Funding								
Code	Project Funding	Prior Years	2016-17 Estimated				Total Funding	
			Actual	2017-18	2018-19	2019-20		
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2130	Prop 1 SC Wastewater Grant	\$ 98,151	\$ 279,974	\$ 121,875	\$ -	\$ -	\$ -	\$ 500,000
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ 98,151	\$ 279,974	\$ 121,875	\$ -	\$ -	\$ -	\$ 500,000

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Almond St. Multi-Modal Improvements
Project Number: 9377, ATPL 5425 (031)

Est. Start Date: 07/2016
Est. Completion Date: 06/2019

Project Description: The proposed project will add sidewalks, curbs and gutters to Almond Street between Pearson Road and Elliott Road. In addition construction will widen Almond Street to incorporate Class II Bicycle Lanes on both sides of the roadway. To facilitate the construction of these improvements, underground drainage needs to be addressed and is included in the project.

Project Development Costs							
Code	Project Costs	Prior Years	2016-17 Estimated Actual	2017-18	2018-19	2019-20	Total Costs
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Project Approval & Environmental Document	\$ -	\$ 64,097	\$ -	\$ -	\$ -	\$ 64,097
12	Plans, Specifications & Estimates	\$ -	\$ 50,000	\$ 150,903	\$ -	\$ -	\$ 200,903
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ 30,000
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
40	Construction	\$ -	\$ -	\$ -	\$ -	\$ 2,765,805	\$ 2,765,805
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ 266,581	\$ 266,581
60	Non-Infrastructure Component	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 114,097	\$ 165,903	\$ 15,000	\$ 3,182,386	\$ 3,477,386

Project Development Funding							
Code	Project Funding	Prior Years	2016-17 Estimated Actual	2017-18	2018-19	2019-20	Total Funding
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ 387,500	\$ 387,500
2110	Local Transportation (Transit)	\$ -	\$ 3,097	\$ 19,748	\$ 375	\$ 167,372	\$ 190,592
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2133	State ATP	\$ -	\$ 111,000	\$ 146,155	\$ 14,625	\$ 2,627,514	\$ 2,899,294
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 114,097	\$ 165,903	\$ 15,000	\$ 3,182,386	\$ 3,477,386

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Memorial Trailway Class I Enhancements
Project Number: 9378, ATPL 5425 (032)

Est. Start Date: 07/2016
Est. Completion Date: 06/2018

Project Description: The proposed project is located along the Memorial Trailway between Pentz Road to Princeton way and will add lighting, flashing beacons and minor widening to the Class I bike/ped facility.

Project Development Costs								
Code	Project Costs	Prior Years	2016-17 Estimated		2017-18	2018-19	2019-20	Total Costs
			Actual					
10	Preliminary Engineering	\$ -					\$ -	\$ -
11	Project Approval & Environmental Document	\$ -	\$ 13,000	\$ 7,000				\$ 20,000
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ 30,000				\$ 30,000
20	Right of Way & Utility Relocation	\$ -	\$ -				\$ -	\$ -
30	Construction Engineering	\$ -	\$ -	\$ 25,000	\$ 25,000		\$ -	\$ 50,000
40	Construction	\$ -	\$ -	\$ 565,073	\$ 565,073		\$ -	\$ 1,130,146
50	Construction Contingency	\$ -	\$ -		\$ 113,015		\$ -	\$ 113,015
60	Non-Infrastructure Component	\$ -	\$ -	\$ -			\$ -	\$ -
Annual Total		\$ -	\$ 13,000	\$ 627,073	\$ 703,088		\$ -	\$ 1,343,161

Project Development Funding								
Code	Project Funding	Prior Years	2016-17 Estimated		2017-18	2018-19	2019-20	Total Funding
			Actual					
1010	Measure "C"	\$ -	\$ -				\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 650	\$ 16,092	\$ 17,578		\$ -	\$ 34,320
2120	Gas Tax/Streets	\$ -	\$ -				\$ -	\$ -
2132	Federal HSIP	\$ -	\$ -				\$ -	\$ -
2133	State ATP	\$ -	\$ 12,350	\$ 610,981	\$ 685,510		\$ -	\$ 1,308,841
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
2520	DIF Signal	\$ -	\$ -				\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Annual Total		\$ -	\$ 13,000	\$ 627,073	\$ 703,088		\$ -	\$ 1,343,161

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Downtown Paradise Equal Mobility Project
Project Number: 9379, ATPL 5425 (034)

Est. Start Date: 07/2016
Est. Completion Date: 06/2019

Project Description: The proposed project will remove and replace out-dated non-ADA compliant sidewalks and driveways in the downtown Paradise commercial core. The proposed project aims to increase mobility in the downtown by removing barriers and pedestrian hazards throughout the project area.

Project Development Costs							
Code	Project Costs	Prior Years	2016-17 Estimated Actual	2017-18	2018-19	2019-20	Total Costs
10	Preliminary Engineering	\$ -					\$ -
11	Project Approval & Environmental Document		\$ 25,000				\$ 25,000
12	Plans, Specifications & Estimates		\$ 26,135				\$ 26,135
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ 50,000			\$ 50,000
30	Construction Engineering	\$ -	\$ -	\$ 10,000	\$ 10,000		\$ 20,000
40	Construction	\$ -	\$ -	\$ 210,000	\$ 210,000		\$ 420,000
50	Construction Contingency	\$ -	\$ -	\$ 21,000	\$ 21,000		\$ 42,000
60	Non-Infrastructure Component	\$ -	\$ -				\$ -
Annual Total		\$ -	\$ 51,135	\$ 291,000	\$ 241,000	\$ -	\$ 583,135

Project Development Funding							
Code	Project Funding	Prior Years	2016-17 Estimated Actual	2017-18	2018-19	2019-20	Total Funding
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 2,045	\$ 21,000	\$ 21,000	\$ -	\$ 44,045
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2133	State ATP	\$ -	\$ 49,089	\$ 270,000	\$ 220,000	\$ -	\$ 539,089
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 51,135	\$ 291,000	\$ 241,000	\$ -	\$ 583,135

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Ponderosa Elementary Safe Routes to School Project
Project Number: 9380, ATPL 5425 (033)

Est. Start Date: 07/2016
Est. Completion Date: 06/2019

Project Description: The proposed project will add sidewalks, curbs and gutters along Pentz Road between 300' north of Wagstaff Road and tie in to existing sidewalks just north of Bille Road on both sides of the roadway. Class II Bicycle Lanes will be added to the existing roadway section to allow for bicyclists to use Pentz Road safely.

Project Development Costs									
Code	Project Costs	Prior Years	2016-17 Estimated				2019-20	Total Costs	
			Actual	2017-18	2018-19				
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Project Approval & Environmental Document	\$ 585	\$ 62,156	\$ -	\$ -	\$ -	\$ -	\$ 62,741	
12	Plans, Specifications & Estimates	\$ -	\$ 50,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 175,000	
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	
30	Construction Engineering	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000	
40	Construction	\$ -	\$ -	\$ -	\$ 1,112,619	\$ -	\$ -	\$ 1,112,619	
50	Construction Contingency	\$ -	\$ -	\$ -	\$ 125,632	\$ -	\$ -	\$ 125,632	
60	Non-Infrastructure Component	\$ -	\$ -	\$ 50,500	\$ 50,500	\$ -	\$ -	\$ 101,000	
Annual Total		\$ 585	\$ 112,156	\$ 265,500	\$ 1,363,751	\$ -	\$ -	\$ 1,741,992	

Project Development Funding									
Code	Project Funding	Prior Years	2016-17 Estimated				2019-20	Total Funding	
			Actual	2017-18	2018-19				
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ 193,000	\$ -	\$ -	\$ 193,000	
2110	Local Transportation (Transit)	\$ 70	\$ 13,459	\$ 31,860	\$ -	\$ -	\$ -	\$ 45,389	
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2133	State ATP	\$ 515	\$ 98,697	\$ 233,640	\$ 1,170,751	\$ -	\$ -	\$ 1,503,603	
2299	Utility Reimbursements/Grants Misc.								
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ 585	\$ 112,156	\$ 265,500	\$ 1,363,751	\$ -	\$ -	\$ 1,741,992	

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Skyway at Black Olive Traffic Signal
Project Number: 9382, HSIPL 5425 (035)

Est. Start Date: 04/2016
Est. Completion Date: 10/2018

Project Description: The proposed project will install a four way traffic signal at the intersection of Skyway at Black Olive Drive.

Project Development Costs								
Code	Project Costs	Prior Years	2016-17 Estimated			2018-19	2019-20	Total Costs
			Actual	2017-18	2018-19			
10	Preliminary Engineering	\$ 50	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,050
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
30	Construction Engineering	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
40	Construction	\$ -	\$ -	\$ 480,627	\$ -	\$ -	\$ -	\$ 480,627
50	Construction Contingency	\$ -	\$ -	\$ 53,403	\$ -	\$ -	\$ -	\$ 53,403
60	Non-Infrastructure Component	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ 50	\$ 65,000	\$ 559,030	\$ -	\$ -	\$ -	\$ 624,080

Project Development Funding								
Code	Project Funding	Prior Years	2016-17 Estimated			2018-19	2019-20	Total Funding
			Actual	2017-18	2018-19			
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 5,000	\$ 25,000	\$ -	\$ -	\$ -	\$ 30,000
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal HSIP	\$ 50	\$ 60,000	\$ 534,030	\$ -	\$ -	\$ -	\$ 594,080
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ 50	\$ 65,000	\$ 559,030	\$ -	\$ -	\$ -	\$ 624,080

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Pearson Bike-Ped Improvements
Project Number: 9383, CML 5425 (036)

Est. Start Date: 02/2017
Est. Completion Date: 11/2017

Project Description: The proposed project will construct sidewalks, curbs, gutters and bike lanes along the north side of Pearson Road between Black Olive Drive and Academy Drive

Project Development Costs							
Code	Project Costs	Prior Years	2016-17 Estimated			2019-20	Total Costs
			Actual	2017-18	2018-19		
10	Preliminary Engineering	\$ -	\$ 4,350	\$ -	\$ -	\$ -	\$ 4,350
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Construction Engineering	\$ -	\$ -	\$ 39,250	\$ -	\$ -	\$ 39,250
40	Construction	\$ -	\$ -	\$ 587,335	\$ -	\$ -	\$ 587,335
50	Construction Contingency	\$ -	\$ -	\$ 73,415	\$ -	\$ -	\$ 73,415
60	Non-Infrastructure Component	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 4,350	\$ 700,000	\$ -	\$ -	\$ 704,350

Project Development Funding							
Code	Project Funding	Prior Years	2016-17 Estimated			2019-20	Total Funding
			Actual	2017-18	2018-19		
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2110	Local Transportation (Transit)	\$ -	\$ 4,350	\$ -	\$ -	\$ -	\$ 4,350
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2132	Federal CMAQ	\$ -	\$ -	\$ 698,000	\$ -	\$ -	\$ 698,000
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 4,350	\$ 700,000	\$ -	\$ -	\$ 704,350

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Paradise SSAR
Project Number: 9384, SSAR 5425 (037)

Est. Start Date: 07/2017
Est. Completion Date: 06/2018

Project Description: Preparation of a Systemic Safety Analysis Report for severely underdeveloped two-lane roadways. Will study collision history, identify infrastructure needs for motorists, bicyclists and pedestrians.

Project Development Costs									
Code	Project Costs	Prior Years	2016-17 Estimated				2019-20	Total Costs	
			Actual	2017-18	2018-19				
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
70	Report Preparation	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	
Annual Total		\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	

Project Development Funding									
Code	Project Funding	Prior Years	2016-17 Estimated				2019-20	Total Funding	
			Actual	2017-18	2018-19				
1010	Measure "C"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2110	Local Transportation (Transit)	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2132	Federal SSARP	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Measure C Bille Rd Overlay
Project Number: 9386

Est. Start Date: 07/2017
Est. Completion Date: 10/2017

Project Description: Overlay on Bille Road from Fern to Oliver.

Project Development Costs									
Code	Project Costs	Prior Years	2016-17 Estimated				2019-20	Total Costs	
			Actual	2017-18	2018-19				
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	Construction	\$ -	\$ -	\$ 120,637	\$ -	\$ -	\$ -	\$ 120,637	
50	Construction Contingency	\$ -	\$ -	\$ 12,063	\$ -	\$ -	\$ -	\$ 12,063	
60	Non-Infrastructure Component	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 132,700	\$ -	\$ -	\$ -	\$ 132,700	

Project Development Funding									
Code	Project Funding	Prior Years	2016-17 Estimated				2019-20	Total Funding	
			Actual	2017-18	2018-19				
1010	Measure "C"	\$ -	\$ -	\$ 132,700	\$ -	\$ -	\$ -	\$ 132,700	
2110	Local Transportation (Transit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2132	Federal CMAQ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 132,700	\$ -	\$ -	\$ -	\$ 132,700	

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Paradise Pavement Management Program
Project Number: 9387

Est. Start Date: 07/2017
Est. Completion Date: 02/2018

Project Description: Preparation of comprehensive Pavement Management Program

Project Development Costs									
Code	Project Costs	Prior Years	2016-17 Estimated				2019-20	Total Costs	
			Actual	2017-18	2018-19				
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
70	Report Preparation	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	
Annual Total		\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	

Project Development Funding									
Code	Project Funding	Prior Years	2016-17 Estimated				2019-20	Total Funding	
			Actual	2017-18	2018-19				
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2110	Local Transportation (Transit)	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2299	Utility Reimbursements/Grants Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN

Project Name: Greenwood Drive FEMA 2017 Storm Repair
Project Number: 9388

Est. Start Date: 07/2017
Est. Completion Date: 10/2017

Project Description: Repair Greenwood Drive February 2017 Storm Damage through FEMA reimbursements

Project Development Costs									
Code	Project Costs	Prior Years	2016-17 Estimated				2019-20	Total Costs	
			Actual	2017-18	2018-19				
10	Preliminary Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
40	Construction	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
70	Report Preparation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	

Project Development Funding									
Code	Project Funding	Prior Years	2016-17 Estimated				2019-20	Total Funding	
			Actual	2017-18	2018-19				
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2110	Local Transportation (Transit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2120	Gas Tax/Streets	\$ -	\$ -	\$ 3,125	\$ -	\$ -	\$ -	\$ 3,125	
2132	Federal HSIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2133	State ATP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2135	FEMA Reimbursement	\$ -	\$ -	\$ 46,875	\$ -	\$ -	\$ -	\$ 46,875	
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Annual Total		\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	

TOWN OF PARADISE
Fiscal Year 2017/18 Budget
CAPITAL IMPROVEMENT PLAN - REVISED SEPTEMBER 12, 2017

Project Name: Paradise Gap Closure Complex

Project Number: 9385, CML 5425 (038)

Project Lead: Marc Mattox, Public Works Director / Town Engineer

Contact Information: (530) 872-6291 x125 or mmattox@townofparadise.com

Est. Start Date: 06/2017

Est. Completion Date: 09/2020

Project Description: Complete streets project with road rehabilitation and infill of sidewalks, curbs, gutters and bike lanes/route. Improvements will be made along Elliott from Skyway to Almond, Birch from Skyway to Black Olive, Fir from Skyway to Black Olive, Foster from Pearson to Birch and Black Olive Drive from Pearson to Fir. Multi-year project is in coordination with Active Transportation Program and Rule 20A Underground Utility District efforts to provide a transformative, cohesive, efficient, revitalized Downtown Paradise. Estimated useful life for the roadways will be 10-15 years with regular maintenance. Useful life of the sidewalks will be 40-50 years with regular maintenance.

Project Development Costs Based Upon Authorization Dates

Code	Project Costs	Prior Years	2016-17 Estimated				Total Costs
			Actual	2017-18	2018-19	2019-20	
10	Preliminary Engineering	\$ -	\$ 8,000	\$ 298,000	\$ -	\$ -	\$ 306,000
11	Project Approval & Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Plans, Specifications & Estimates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Right of Way & Utility Relocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Construction Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	Construction	\$ -	\$ -	\$ 4,689,000	\$ -	\$ -	\$ 4,689,000
50	Construction Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	Non-Infrastructure Component	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 8,000	\$ 4,987,000	\$ -	\$ -	\$ 4,995,000

Project Development Funding Based Upon Expenditure Dates

Code	Project Funding	Prior Years	2016-17 Estimated				Total Funding
			Actual	2017-18	2018-19	2019-20	
1010	General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1010	Measure "C" (Potential)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120	Gas Tax/Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2121	Road Maintenance and Rehabilitation Acct.	\$ -	\$ -	\$ -	\$ 316,500	\$ 316,500	\$ 633,000
2132	Federal CMAQ	\$ -	\$ 8,000	\$ 298,000	\$ 134,500	\$ 134,500	\$ 575,000
2133	Federal ATP	\$ -	\$ -	\$ -	\$ 1,893,500	\$ 1,893,500	\$ 3,787,000
2510	DIF Road	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520	DIF Signal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2551	DIF Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Utility Reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5900	Local Transportation (Transit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Total		\$ -	\$ 8,000	\$ 298,000	\$ 2,344,500	\$ 2,344,500	\$ 4,995,000