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COUNTY OF SAN DIEGO  
HEALTH AND HUMAN SERVICES AGENCY,  
HOUSING AND COMMUNITY DEVELOPMENT SERVICES

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**Notice of Funding Availability (NOFA)**  
**For**  
**Affordable Housing Construction, Acquisition and Rehabilitation**

**Release Date: March 27, 2020**

**Closing Date: May 8, 2020**

**Sources of Financial Assistance:**  
**Innovative Housing Trust Fund (IHTF)**

*Nick Macchione*  
*Agency Director*

*David Estrella*  
*Director of Housing and Community Development Services*

# COUNTY OF SAN DIEGO

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# GENERAL INFORMATION

In releasing this Notice of Funding Availability (NOFA), the goal of the County of San Diego Health and Human Services Agency, Housing and Community Development Services (HHSA) is to facilitate construction, acquisition, rehabilitation and/or loan repayment of affordable multi-family rental housing and/or transitional housing for extremely-low, very-low and low-income households by providing gap financing with funding from the Innovative Housing Trust Fund (IHTF), and possibly Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) (subject to availability). Proposed projects must be leveraged with other funding sources, such as private equity loans from lending institutions; funds from federal, state or local programs, such as Low-Income Housing Tax Credits, Tax-Exempt Multi-family Housing Revenue Bonds, the U.S. Department of Housing and Urban Development's (HUD) Senior Preservation Rental Assistance Contracts; or the State of California's Multi-family Housing Program, Affordable Housing and Sustainable Communities Program or Veteran Housing and Homeless Prevention Program. Proposals that have not provided evidence of enforceable funding commitments from all funding sources, will be deemed "non-responsive" to this NOFA.

HHSA is encouraging housing development proposals located throughout the County of San Diego however, applications that create new affordable housing units in the unincorporated areas of the County of San Diego will receive preference.

Each qualified project will be evaluated for suitability of IHTF funding and may be offered CDBG / HOME /HOPWA and/or other funding based on resource availability. Award of IHTF funds is not conditional on acceptance or eligibility for available federal funding sources. All requirements of the applicable funding sources will apply to projects financed under this NOFA.

Qualified housing developers who demonstrate their ability to 1) construct, acquire, and/or rehabilitate affordable and/or transitional housing developments and 2) maintain affordable housing developments or operate transitional housing, are encouraged to submit applications. The proportion of rent restricted units to the total number of units in the project must, at a minimum, equal the proportion of HHSA investment in the project's total development cost.

The County of San Diego's *Live Well San Diego* vision strives to achieve healthy, safe and thriving communities throughout the region. The San Diego region is thriving when residents are engaging (building community awareness and cohesion), connecting (filling gaps and ensuring equal access to basic needs) and flourishing (exceeding basic needs). For more information on *Live Well San Diego*, please visit [www.livewellsd.org](http://www.livewellsd.org). HHSA is seeking applications that tie into and accentuate all aspects of *Live Well San Diego*, including the *Live Well San Diego* Indicators and the collective action outcomes.

All applications must include a Crime Free Multi-Family Housing Plan Preference will be given to projects serving special needs populations as identified in the County of San Diego Consortium 2015-19 Consolidated Plan and in Section 232.5 of Article XV of the San Diego County Administrative Code.

Applications submitted for consideration must be complete. **INCOMPLETE APPLICATIONS WILL NOT BE REVIEWED.** Applications for funding will be considered based on the threshold requirements and preferences/priorities criteria set forth in this NOFA. The NOFA and any applicable updates, including notifications will be posted on Buynet (<https://buynet.sdcountry.ca.gov>) and the County of San Diego's website. Additional information regarding accessing the NOFA and related documents is provided below.

Applications must consist of a signed original and two **full** copies of the complete application packet. Each application must be in a three-ring binder with individual tabs identifying the application requirements and attachments. Applicants are encouraged to submit document printed double sided. In addition, applicants must submit two application proposals on **USB** drives. Faxed copies and electronic copies submitted via CD will not be accepted.

**Please deliver applications to:**  
Housing and Community Development Services  
**Attn:** Community Development  
3989 Ruffin Road, San Diego, CA 92123

### ***IHTF AVAILABILITY***

By releasing this NOFA, HHSA is announcing the availability of IHTF funds for affordable multi-family rental housing and/or transitional housing developments located within San Diego County. In addition to the information provided in response to the Proposal Requirements for each proposal, HHSA will consider geographic distribution of funds throughout the region.

### ***IHTF FUNDING***

The goal of the Innovative Housing Trust Fund (IHTF) to provide affordable housing for the San Diego region's most vulnerable populations as identified in Section 232.5 of Article XV of the County of San Diego's Administrative Code. These funds shall be used for the creation of new units through acquisition, construction, rehabilitation, loan repayment, capital improvements of housing developments, as well as preservation of affordable housing developments at-risk of conversion to market rate housing and related costs as identified in Section 232.5 of Article XV of the County of San Diego's Administrative Code. Proposals that serve a special needs population as identified in the Targeting section of the NOFA Proposal Requirements and create new units will be given preference. IHTF loans will be reserved for the longer of up to 24 months or 3 tax credit application rounds. HHSA reserves the right to cancel its funding reservation if the loan has not closed escrow by the end of the twenty-fourth month or third round of tax credit application period. Fund reservation time extensions may be granted at the sole discretion of HHSA. IHTF funding is contingent upon the developer obtaining commitments from all other necessary sources of funding.

### ***CDBG FUNDING***

Subject to availability at the time of funding, Community Development Block Grant (CDBG) Program funds may also be allocated through this NOFA. Housing developments allocated CDBG funds must be located within the Urban County (the Urban County consists of the unincorporated areas of the County of San Diego and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway and Solana Beach). Eligible uses of CDBG funds for housing projects are addressed under [24 CFR Part 570](#). Applicants who wish to pursue CDBG funding must ensure their proposed projects fully comply with all federal laws and regulations, including those in Title 24 of the Code of Federal Regulations.

### ***HOME FUNDING***

Subject to availability at the time of funding, HOME Investment Partnership (HOME) Program funds may also be allocated through this NOFA. The goal of the HOME program is to provide funds to expand the supply of affordable housing for very low-income and low-income persons as defined under [24 CFR Part 92](#). Housing developments allocated HOME funds must be located within the HOME Consortium (Urban County as described above and the cities of Carlsbad, Encinitas, La Mesa, San Marcos, Santee and Vista). This NOFA does not include the text of all applicable regulations that may be important to rental housing projects. For proper completion of the application by applicants who are seeking federal funding through the HOME program, HHSA encourages potential applicants to consult the federal HOME program regulations, and other federal cross-cutting regulations (referred to in Subpart H of the federal HOME regulations). Several of the terms used in the HOME program have specific meanings defined by federal HOME regulations. When reviewing this NOFA and the application forms, carefully review the regulations for definitions and terms if you are seeking HOME funding. Applicants who wish to pursue HOME funding must ensure their proposed projects fully comply with all federal laws and regulations, including those in Title 24 of the Code of Federal Regulations.

## ***HOPWA FUNDING***

Subject to availability at the time of funding, Housing Opportunities for Persons with AIDS (HOPWA) funds may also be allocated through this NOFA. The goal of the HOPWA program is to provide housing and housing related services to persons living with HIV/AIDS and their families. Housing developments allocated HOPWA funds, may be located throughout the San Diego Region. Applicants who wish to pursue HOPWA funding must ensure their proposed projects fully comply with all federal laws and regulations, including those in Title 24 part 574 of the Code of Federal Regulations.

## ***OWNERSHIP/APPLICANT ELIGIBILITY***

The project may be owned by any individual, corporation, trust, partnership, non-profit or public entity with the exception of those identified on the Excluded Parties List/SAM.gov, Office of Inspector General (OIG) Exclusions database, the State of California Medi-Cal Suspended and Ineligible Provider List, or relevant licensing related to Transitional Housing.

## ***SPECIAL CONSIDERATION***

Preferential consideration shall be provided for affordable housing developments with the following conditions:

1. Project is located in the unincorporated area of the County of San Diego
2. Project will create new affordable housing units;
3. Project will serve a special needs group<sup>1</sup>, as identified in the County of San Diego Consortium 2015-19 Consolidated Plan and in Section 232.5 of Article XV of the San Diego County Administrative Code;
4. Project will leverage other forms of resources, including capital financing, housing subsidies and complementary support services;
5. Project will include a self-sufficiency component;
6. Project will incorporate green building and resource-efficient technologies exceeding current standards and/or will incorporate principles of Universal Design.
7. Project will include a Whole Person Wellness<sup>2</sup> and/or Health Homes Planning components.

Additionally, the County offers Expediting Permit Processing for Lower Income Housing Developments that meet the requirements outlined in Board of Supervisors Policy A-68. A copy of the policy can be found on the County's website or via this link, [Policy A-68](#).

## ***AFFORDABILITY PERIOD***

HHS imposes affordability restrictions for 99 years for all IHTF, HOME and CDBG-funded NOFA affordable housing projects.

HUD minimum affordability requirements for HOME and CDBG follow:

CDBG - Real property that was acquired or improved in whole or in part using CDBG funds in excess of \$25,000 must be operated in accordance with CDBG affordability requirements until five years after the closeout of the grant from which the assistance to the property was provided.

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<sup>1</sup> Housing First is not a requirement under the funding sources proposed in this NOFA. Applications proposing to serve homeless populations will not be required nor precluded from abiding by the Housing First model.

<sup>2</sup> The focus of Whole Person Wellness is to provide comprehensive system navigation for individuals with complex physical and/or behavioral health needs who are homeless or are experiencing unstable living circumstances. The County of San Diego operates this program through funding from the State of California Department of Health Care Services. Preferences may be given for projects which include units dedicated to house people who are enrolled in Whole Person Wellness.

HOME - Minimum affordability periods are shown below.

<b>Rental Housing Activity</b>	<b>Minimum Years of Affordability</b>
Rehabilitation or acquisition of existing housing per unit amount of HOME funds:	
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed housing	20

### ***TRANSITIONAL HOUSING***

Transitional housing (TH) is designed to provide individuals and families experiencing homelessness with interim stability and support so that they may successfully transition to and maintain permanent housing. For those participants who choose a supportive transitional housing environment, understanding the availability of longer-term services in conjunction with connecting to permanent housing can be effective for targeted populations, including but not limited to:

- Those struggling with substance use disorders or in early recovery who may desire more intensive support;
- Victims of domestic violence or other forms of severe trauma, such as those escaping sex trafficking; or
- Unaccompanied and pregnant or parenting youth who are unable to live independently and prefer a congregate setting

Transitional housing funded through this NOFA shall have a maximum stay of up to twenty-four months for residents; and accompanying supportive services for families for the special needs populations who are also experiencing homelessness.

In addition to basic housing services, services include employment assistance and other individualized/custom supportive services, either directly through the awarded provider or through mainstream services via partnerships. The provider will assist all families with securing permanent housing prior to their exit from TH and/or when the family requests to be exited from the program. Access to all services, including access to reasonable transportation, must be provided to all residents.

### ***RESERVATION OF FUNDS***

Qualified LIHTC units must not exceed LIHTC rent limits. ***Combining IHTF and tax credit affects rental properties in various complex ways and developers are urged to consult a subject expert prior to submitting their proposal.***

IHTF loan funds will be reserved only for the longer of up to twenty-four (24) months or three (3) tax credit application rounds. HHSA reserves the right to cancel its funding reservation if the HHSA loan has not closed escrow by the end of the twenty fourth month or, for affordable housing applications, the third tax credit round. Fund reservation time extensions may be granted at the sole discretion of HHSA. IHTF funding is contingent upon the developer obtaining commitments from all other necessary sources of funding.

Developers shall elect and disclose whether or not the Project will be part of an application to TCAC seeking tiebreaker incentives for hybrid 4 percent and 9 percent tax credit projects. A developer that will apply to TCAC seeking hybrid tiebreaker incentives may submit applications for IHTF funds for one or both hybrid component Projects, but each component Project must apply independently with a separate application. This election is irrevocable. Once awarded, the HHSA will not break up or combine project awards to accommodate a conversion to or from a hybrid project.

## ***DEVELOPER CAPACITY***

Developer capacity to perform administrative, managerial and operational functions and to oversee the work necessary for successful completion of the proposed project will be evaluated.

To be eligible for financing, an applicant must:

- 1) Exhibit prior work resulting in successful development of affordable rental or transitional housing. Successful development may include operation, construction, acquisition, acquisition with rehabilitation or any combination of accomplishments that created or preserved affordable rental or transitional housing.
- 2) Possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, a leasehold with development provisions or any other enforceable instrument approved by HHSA.
- 3) Provide full disclosure of all associations between partners, contractors, and sub-contractors. Conflict of interest laws and regulations will be strictly applied.
- 4) Have the necessary knowledge, training and experience in all pertinent areas required to provide the services proposed and must have the resources necessary to carry out the proposed activities.

## ***CONDITIONS***

HHSA reserves the right to negotiate and award an allocation of funds to multiple applicants and request additional information from applicants, however, all terms indicated in this NOFA to be required are non-negotiable. By the act of submitting a proposal, applicants acknowledge and agree to the terms and conditions of this NOFA and to the accuracy of the information they submit. HHSA reserves the right to reject any and all submittals, waive any irregularities in the submittal requirements, cancel this NOFA at any time, or award as much or as little money under this NOFA as it sees fit. All submittal packages become the property of HHSA and will not be returned. All submitted information will become public information and is subject to public inspection under the State of California Public Records Act. If applicable, proposals awarded HOME, HOPWA or CDBG funds, must comply with all requirements of the HOME and/or CDBG program under this NOFA. HOME program regulations are available at [24 CFR Part 92](#). CDBG program regulations are available at [24 CFR Part 570](#). HOPWA program regulations are available at [24 CFR Part 574](#).

## ***COST RECOVERY AND FEES***

The owner of any project funded through this NOFA will be required to pay any relevant fees that may be imposed by HUD or by the Board of Supervisors, as such fees may be enacted or amended from time to time.

An annual compliance monitoring fee of \$4,000 will be due and payable to HHSA at the beginning of each operational year. The compliance monitoring fee will increase annually at a rate of one percent above the previous year's rate. Failure to submit payment will result in a Notice of Default being issued by HHSA. Compliance monitoring fees must be incorporated into the proposal's operating pro forma.

## ***TECHNICAL ASSISTANCE, CLARIFICATION AND ADDENDA***

Requests for clarification regarding the HOME sections of this NOFA should be directed to: Felipe Murillo, Housing and Community Development Services, 3989 Ruffin Road, San Diego, CA 92123, or (858) 694-4807, or [Felipe.Murillo@sdcounty.ca.gov](mailto:Felipe.Murillo@sdcounty.ca.gov). Following review, HHSA may request County Board of Supervisors' support for the project.



# **NOFA APPLICATION**

## ***APPLICATION CHECK LIST***

*Please complete the following checklist and submit this form with the application. All items in the IHTF NOFA must be addressed to be considered responsive.*

All pages 8.5 x 11 inches, numbered, indexed and tabbed. Tabs should correspond with NOFA sections

One master copy and four identical copies, all signed, in three-ring binders.

One scanned PDF copy submitted on a USB drive.

### **GENERAL REQUIREMENTS FOR SUBMITTAL**

- ☐ NOFA Application Check List and Project Summary
- ☐ Attachments and Supporting Documentation Summary
- ☐ Development Forms (Rental Income Form, Operating Expense, Development Costs, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma)

### **ATTACHMENTS and SUPPORTING DOCUMENTATION:**

- ☐ Board Resolution
- ☐ Certifications:
  - For Community Housing Development Organizations (CHDO), a copy of CHDO certification (if applicable)
  - For non-profit organizations, proof of 501(c)(3) status and an up to date roster of the Applicant's Board of Directors
- ☐ Community Review Documentation
- ☐ Transitional Housing-Proof of licensing (if applicable)
- ☐ Affirmative Fair Housing Marketing Plan
- ☐ Evidence Applicant is not on Excluded Parties List/SAM.gov, OIG Exclusions database, the State of California Medi-Cal Suspended and Ineligible Provider List
- ☐ Appraisal (dated within 180 days of the final purchase offer)
- ☐ "As-Built" Appraisal for New Construction Proposals
- ☐ Audited Financial Statements/Single Audit (less than one year old)
- ☐ Articles of Incorporation and By-Laws
- ☐ Crime-Free Multi-Family Housing Element or Policy
- ☐ Testing for Asbestos, Lead and Residual Pesticides (if applicable)
- ☐ Phase 1 Hazardous Waste Assessment, Environmental Review Compliance/Phase 2 (if applicable)
- ☐ Evidence of Funding Source Commitments
- ☐ Copies of All Other Leveraged Source Loan Documents
- ☐ Evidence of Site Control
- ☐ Evidence of Supportive Services to be provided
- ☐ Insurance Policies
- ☐ Land use, zoning and/or building plan approvals
- ☐ Location Map, Site Plan, Floor Plan, Photos
- ☐ Market Study
- ☐ Management Plan
- ☐ Partnership Agreement (if applicable)
- ☐ Physical Needs Assessment (if applicable)
- ☐ Preliminary Title Report
- ☐ Developer fee calculation
- ☐ Rehabilitation Estimate (including any required testing of major building systems that may be required) (if applicable)
- ☐ Relocation Plan and Relocation Contract (if applicable)
- ☐ Relocation Noticing (if applicable)
- ☐ Replacement Reserve Analysis
- ☐ Tax Credit Application with date of submission (if applicable)
- ☐ Tenant Characteristics Form (if applicable)
- ☐ Project Timeline
- ☐ Title Insurance
- ☐ Transition Reserve analysis (if applicable)
- ☐ Voluntary Acquisition Notice (if applicable)

### **NOFA ATTACHMENTS**

- ☐ Attachment A- IHTF and HOME Program Basics
- ☐ Attachment B- Transitional Housing Program Basics (if applicable)
- ☐ Attachment C-Sample Board Resolution Letter
- ☐ Attachment D- Affirmative Fair Housing Marketing Plan-(AFHMP)
- ☐ Attachment E- San Diego County Income Limits
- ☐ Attachment F- Management and Property Management Plan
- ☐ Attachment G- Rehabilitation Standards
- ☐ Attachment H-1-Guideform General Information Notice- Residential Tenant to be Displaced (if applicable)
- ☐ Attachment H-2- Voluntary Acquisition Notice – (if applicable)

- ☐ Attachment H-3- Move-in Notice- (if applicable)
- ☐ Attachment I- Tenant Characteristics Form (if applicable)
- ☐ Attachment J- Project Timeline
- ☐ Attachment K- Crime Free Lease Addendum
- ☐ Attachment L- Borrowers Insurance Requirements

The application and its supporting documentation have been reviewed for completeness using the checklist above.

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Initial applications are subject to a preliminary review for completeness; applicants submitting incomplete or ineligible proposals will be notified and a deadline for submission imposed. The selection procedure will include an evaluation of the total financing proposed in the NOFA application and the project pro forma. A determination will also be made concerning the consistency of the proposal with the strategy and priorities developed by the County of San Diego for the use of NOFA program funds. Proposals must comply with the regulations of the HHSA programs, as applicable.

## **PROJECT SUMMARY**

Project Name:					
Name of Applicant:					
Applicant Address:					
Contact Name:					
Phone:			Fax:		
Email:					
Organizational Status (Check all that apply):					
<input type="checkbox"/> Non-profit <input type="checkbox"/> CHDO <input type="checkbox"/> Private Entity					
Type of Development					
<input type="checkbox"/> Multifamily Development <input type="checkbox"/> Transitional Housing					
Tax Credits: <input type="checkbox"/> 9% <input type="checkbox"/> 4% <input type="checkbox"/> Hybrid <input type="checkbox"/> Secured? <input type="checkbox"/> Anticipated application round/year (_____)					
Project Address:					
Project Assessor's Parcel Number (APN):					
Total Development Cost: \$			Amount of IHTF Funds Requested: \$		
Amount of HOME, CDBG or HOPWA Funds Requested (if applicable):					
Does the proposed Project have a prior County of San Diego funding or PBV commitment? <input type="checkbox"/> Yes <input type="checkbox"/> No					
If yes, please state source(s) and amount(s):					
Type(s) of Special Needs Population(s):					
Service Provider Name:					
Location of Services: <input type="checkbox"/> On-site <input type="checkbox"/> Off-site					
Types of Services Offered:					
Total Project Units: (   ) studio units with 0 bedrooms   (   ) 1 Bdrm   (   ) 2 bdrms   (   ) 3 bdrm;					
(   ) 4 bedrooms   Manager Unit(s) (   ) Bedroom Size (_____)					
<b>Number of Units per AMI</b>					
Percent of AMI	60	50	40	30	Below 30 (State AMI)
Studio					
1 Bedroom					
2 Bedroom					
3 Bedroom					
4 Bedroom					
Estimated Rent Range per unit (Use Attachment A):			Market Rents (from appraisal):		
1 Bedroom:					
2 Bedroom:					
3 Bedroom:					
4 Bedroom:					
Number of Currently Occupied Units:					
Income Level of Current Households:					
Number of Potential Relocation Households:					
Expected Date of:					
Acquisition:					
Rehabilitation/Construction Start:					
Rehabilitation/Construction Completion:					
Occupancy:					

## ***PROPOSAL REQUIREMENTS***

Responsive proposals must include and/or adequately address each of the following sections. Identify attachment numbers, as applicable.

### ***1. General Project Information***

**Attach pages as necessary to describe the following:**

- A. Provide a detailed description of the project. Address the following, as appropriate:
- (1) *For Transitional Housing-* provide a detailed description of the program design, including populations to be served, services provided, program goals and objectives, and success rate. Description should include number and types of rooms, program amenities, program rules and guidelines, as well as sample lease and tenant agreement. Include proof of required licensing needed to support Transitional Housing program.
  - (2) Describe the projects timeline and developer's ability to complete in a timely manner.
  - (3) Provide list of enforceable commitments or other enforceable reservations of funds for all needed development funds.
  - (4) Provide list of enforceable commitments or reservations of rental or operating subsidies as well as any fundraising plans.
  - (5) Is the project consistent with the project site zoning, General Plan designation, and the local community plan?
  - (6) Describe all Community Planning/Sponsor Group action related to this project.
  - (7) Provide proof that all necessary land use, zoning, permitting or building plans have been approved or reasonable plan and timeline detailing how the developer will obtain any discretionary approvals for the project.
  - (8) Provide documentation demonstrating that rents will be at least 10% below market rents.
  - (9) Attach a market study documenting supply and demand for the proposed development. Data must be recent (within the last six months), for at least three rental housing developments similar in size and amenities to the proposed development. For transitional housing, provide a needs assessment or market data that describes and supports the vision of the proposed project.
  - (10) Evidence from approving body of completion of all necessary environmental clearances (CEQA, NEPA), and completion of a Phase I Environmental Site Assessment and Phase II Environmental Studies (if applicable).
  - (11) Attach an outline of the project's Crime-Free Multi-Family Housing Program, including proposed Crime-Free lease addendum. For transitional housing, please provide Crime free policy.
  - (12) List proposed conditions that conform to the Special Considerations of this NOFA
  - (13) How will the project maintain, increase, or improve housing affordability and the access to housing, or the provision of services? What service(s) will be provided and how will they be provided?
  - (14) If applicable, how will the project promote the coordinated delivery of housing and/or supportive services?
  - (15) How will the project empower families and individuals toward greater self-sufficiency?
  - (16) If applicable, how will the project incorporate aging-in-place components? Describe the use of universal design principles, supportive services, telecare and other proposed assistive technologies.
  - (17) Detail sustainability features for the proposed development.
- B. Provide a detailed description of the project location and of the existing uses at the site. Attach colored and detailed street map(s) identifying the project and neighborhood boundaries, preliminary site plan(s), photos and floor plans of housing units. Site and floor plans must be in color and legible. Address the following questions, as appropriate:

- (1) How will the project not overly concentrate low-income or transitional housing in the community? Are there any other housing developments, facilities, or services that address the same need in the area? For transitional housing, are there similar programs in the area supporting the same population?
- (2) Will the project require the relocation of households or businesses? If so, describe the circumstances (number of vacant units, number of units potentially subject to relocation, etc.) and attach a relocation plan and relocation consultant contract to the application. Attach a copy of current tenant rents rolls and income levels.
- (3) How accessible is the project to public transportation, concentrated areas of job opportunities, convenience shopping, food shopping, public schools, etc.?
- (4) Describe the availability of, and accessibility to, medical care (e.g., emergency, outpatient, acute, and extended care) and social services that are commonly needed for the individuals who will be residing at the development.

## 2. Targeting

**Attach pages as necessary to describe how the project will target the following populations and include a description of the number of units by population served:**

A. The term "low-income households" encompasses both individuals and families.

B. Below is a list of special needs and vulnerable populations in accordance with the Section 232.5 of Article XV of the San Diego County Administrative Code and the [County of San Diego Consortium 2015-2019 Consolidated Plan/2017-18 Annual Funding Plan](#).

- a) The frail elderly
- b) Persons with physical disabilities
- c) Persons with developmental disabilities
- d) Persons with severe mental illness
- e) Persons with substance abuse problems
- f) Persons with HIV/AIDS
- g) Military personnel and veterans
- h) At-risk youth
- i) Survivors of domestic violence
- j) Persons experiencing homelessness or at risk of homelessness
- k) Persons with disabilities
- l) Seniors (aged 62 or older)
- m) Transition age youth
- n) Families in need

If supportive services will be provided for the populations listed above, describe the type and level of supportive services to be provided. For multi-family affordable housing development, supportive services must be voluntary and cannot be a condition of tenancy. If applicable, how will the project promote the coordinated delivery of housing and/or supportive services?

If preference for selection from the established waiting list will be given to any of the above-mentioned special needs populations, describe which population(s) will receive priority.

## 3. Financial Feasibility

**Attach pages as necessary to explain the following:**

- A. Describe how the project will leverage other forms of resources, including capital financing, housing subsidies, fundraising activities and complementary support services? Provide evidence of terms and the status of those commitments to the proposed development. HHSA must be advised if the applicant will be requesting that HHSA subordinate financial interests. HHSA will require senior lenders to subordinate to HHSA's regulatory restrictions.

- B. Discuss measures to be taken to promote energy efficiency in the proposed development. An Energy-Efficiency Based Utility Allowance schedule is available to qualified projects. Please indicate if you plan to utilize the Energy Efficiency-Based Utility Allowance schedule.
- C. Describe any in-kind contributions to the project. Include the name(s) of the contributors, the items or services that are being contributed and the value of the contribution.
- D. Describe a plan for repayment of the requested amount of HHSA NOFA funds.
- E. If funding for the proposed project is in part dependent upon the award of Low-Income Housing Tax Credits or one of the State of California housing programs, describe how the project will be implemented in the event financing is denied. Be specific as to the amount, sources, likelihood and timing of alternative funding, as well as how the project will be scaled down, if necessary.
- F. Describe plan to maintain operations and financial feasibility for full 99-year affordability period.

#### 4. Applicant Experience

**Attach pages as necessary to describe the following:**

- A. Organization—Describe the following for the organization:
  - (1) Mission Statement
  - (2) Past activities/experience
  - (3) Administrative structure / organizational chart
- B. Technical Capacity
  - (1) Describe the organization's capability to manage the project as proposed.
  - (2) Describe the project team's experience in rehabilitation, construction and/or management.
  - (3) Attach resumes of staff specifically assigned to this project. Include the credentials of the project team members.
  - (4) Describe your organization's ability to deliver high-quality services to the target resident population.
  - (5) Describe your organization's ability to successfully develop and manage the real estate component of the project.

\_\_\_\_\_Number of rental or transitional housing developments/units completed.  
 \_\_\_\_\_Number of rental or transitional housing developments/units currently owned.  
 \_\_\_\_\_Number of rental or transitional housing developments/units currently managed.  
 \_\_\_\_\_Number of rental or transitional housing developments/units in development phase (funding committed but not ready for occupancy).

#### C. Participation of DVBEs and MWBEs

In accordance with County of San Diego Board Policy B-39a, all recipients must ensure that every effort is made to provide equal opportunity to Disabled Veterans Business Enterprises (DVBEs). Additionally, if receiving HOME or CDBG, recipients must encourage the participation of minority and women business enterprises (MWBEs) as contractors and subcontractors. Please describe efforts that will be made to encourage the utilization and participation of DVBEs and MWBEs.

#### 5. Collaboration & Site Amenities

**Attach pages as necessary to explain the following:**

- A. Describe the extent to which the proposed project will involve other community organizations.
- B. Describe any amenities or programs that may be beneficial to the project's residents.

## **6. Innovation**

**Attach pages as necessary to explain the following:**

- A. Describe the extent to which the proposed development involves a new or innovative approach (either physical, financial or managerial) to meet the housing needs of low-income and/or special needs residents.
- B. Describe and provide evidence to support how the proposed development aligns with [Live Well San Diego](#) components; Building Better Health, Living Safely, and Thriving.

## ***PROPOSAL EVALUATION CRITERIA***

The evaluation criteria listed below are in descending order of importance by section, not subsections, and will be weighted in the evaluation of the Offeror's written and oral proposals accordingly. The proposal should give clear, concise information in sufficient detail and in the order presented below to allow an evaluation based on these requirements. Although some of the elements listed below will be weighted more heavily than others, all requirements are considered necessary for evaluation.

Evaluation criteria listed in descending order of importance:

### **First: Sections 1 and 2**

Project Information and Targeting (i.e. detailed description of project, located in unincorporated area, project readiness, creation of new units, leveraging of other resources, vulnerable populations)

### **Second: Section 3**

Financial feasibility (description of funding sources, leveraging, anticipated costs)

### **Third: Section 4**

Applicant Experience (affordable housing development experience, rehab, construction, property management)

### **Fourth: Section 5, 6, General Program Requirements and Special Considerations**

Collaboration and Site Amenities and Innovation (community involvement, innovative approaches)

An Offeror must, therefore, be acceptable in all four (4) areas to be eligible for award of a contract. The expectation is that those proposals in the competitive range and considered for contract award will exceed the minimum requirements.

## ***GENERAL PROGRAM REQUIREMENTS***

**Responsive proposals will include and/or adequately address each of the following sections.**

### **A. Board Resolution**

Applicants must submit a resolution of its board of directors authorizing the submittal of a proposal, specifying the maximum loan amount and identifying who is authorized to execute loan documents. (Refer to Attachment B).

### **B. Certifications**

For Non-profit organizations, proof of 501(c)(3) status and an up-to-date roster of the applicant's board of directors.

### **C. Community Review and Land Use Approvals**

Applicants must have all applicable local land use approvals at the time of NOFA submittal or must present a reasonable plan and timeline detailing how the developer will obtain any discretionary approvals for the project within 120 days of conditional commitment awarded. Examples of such approvals include, but are not limited to, general plan amendments, rezoning and conditional use



permits. Local land use approvals that are not required to be submitted at the time of application include design review, environmental study variances and development agreements.

Whether or not discretionary permits are necessary, applicants submitting proposals involving new construction, acquisition or change of use must present the proposal to the appropriate Community Planning/Sponsor Group and request its vote on the project, prior to submittal of the NOFA application. The application must provide documentation of the Planning/Sponsor Group's response to the presentation and/or vote on the proposal, if one was taken.

D. Transitional Housing- Licensing

For Transitional Housing projects- provide proof of all licensing required to operate the Transitional Housing program (if applicable).

***ADDITIONAL COUNTY, STATE AND FEDERAL REQUIREMENTS***

**Attach pages as necessary to describe proposal compliance with the following areas:**

A. Accessibility

Section 504 of the Rehabilitation Act, the Fair Housing Act, California's Fair Employment and Housing Act, the Unruh Civil Rights Act, and a variety of federal and California laws and regulations are applicable to the HOME Program. The applicant must demonstrate how the proposed project will comply with all applicable laws regarding accessibility both for individual units and all common areas in the project.

B. Acquisition and Relocation Requirements

Projects are subject to the Uniform Acquisition and Relocation Act of 1970 (URA) as revised, and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

C. Affirmative Fair Housing Marketing Plan

An Affirmative Fair Housing Marketing Plan (AFHMP) (refer to Attachment D) shall outline methods of informing potential tenants about fair housing laws and contractor policies. An AFHMP must also contain a plan outlining how the contractor will affirmatively market the assisted units. In addition, an AFHMP must contain a plan outlining the special outreach actions to inform persons who would not be likely to apply for the assisted housing without special outreach efforts.

D. Affordability

Income levels are listed in Attachment E and rent limits are listed in Attachment A. "Median income" is defined and published periodically by HUD for the San Diego Metropolitan Statistical Area.

E. Applicant and Contractor Debarment

All applicants, construction contractors and sub-contractors must not be on the Federal Debarred Contractors List. Housing developers must verify compliance before awarding the construction contract. No award or contract shall be made with any organization that is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension." Prior to award of any contract or subcontract, applicant must provide proof of compliance, to include exclusion records from the System for Award Management (SAM).

F. Appraisal

An appraisal must meet the definition of an appraisal found at [49 CFR §24.2\(a\) \(3\)](#) and the URA provisions at [49 CFR §24.103](#). An appraisal is required for all acquisition, rehabilitation and new construction projects. New construction applicants are required to submit a land-only and an "as-built" appraisal, along with market studies to assist in establishing value. A review appraisal, in accordance with 49 CFR §24.104 of the Uniform Relocation Act, will be required for an "Involuntary Acquisition."

**G. Audited Financial Statements and Single Audit, As Applicable**

Submitted audited financial statements must be current (within the last 12 months) and must include a Financial Statement indicating surplus or deficits in operating accounts, a detailed itemized listing of income and expenses and the amounts of any fiscal reserves. The audit must be certified by an independent certified public accountant licensed in California. In accordance with Office of Management and Budget (OMB) Circular A-133, any non-federal entity, including states, local governments and non-profit organizations, that expend \$750,000 (effective 12/26/2013) or more in a year in federal awards shall have an OMB Circular No. A-133 single audit conducted for that year.

As applicable, provide a copy of the A-133 audit and written notification of the results of the A-133 audit. In addition, in compliance with all federal requirements, provide HHSA with the corrective action plan for any deficiencies identified in the A-133 audit and the latest status of the corrective action plan.

**H. Competitive Bidding Requirements**

Applicants seeking money under this NOFA shall procure construction services in the following manner:

1. If the applicant is a general contractor, the applicant may self-perform and where subcontracting more than one percent (1%) of the total work, obtain the subcontractor through formal bidding.
2. If the applicant is not a general contractor, it shall:
  - a. Conduct a competitive procurement process for a general contractor, obtaining at least three bids from qualified, responsive contractors, and shall accept the lowest responsive and responsible bidder, and shall require a similar process for any subcontractor performing more than 1% of the work; or
  - b. Conduct a competitive process in substantial compliance with Public Contract Code section 22160 et seq.
3. If the applicant seeks CDBG, HOME, or HOPWA funding per this NOFA, the applicant shall comply with all requirements in Title 2, Part 200, of the Code of Federal Regulations.

**I. Consistency with the County of San Diego Consortium Consolidated Plan**

Applicants are required to demonstrate that the proposed project is consistent with the current HUD-approved Consolidated Plan for the County of San Diego, and if applicable, for the jurisdiction where the project is located. The current FY 2015-19 Consolidated Plan may be downloaded from the following link: [County of San Diego Consortium 2015-2019 Consolidated Plan/2015-16 Annual Funding Plan](#).

**J. Conflict of Interest**

Strict federal and state non-conflict of interest laws and regulations apply to all County and/or sub-recipient agency (i.e., participating cities, developers, non-profit agencies, etc.) staff who are engaged in implementing funded activities. In brief, these requirements prohibit all County and/or sub-recipient agency staff, their families or family/business ties from obtaining any financial interest in a funded contract if they participated in or had inside information about the contract.

**K. Crime-Free Multi-family Housing**

Proposals must contain an element designed to provide Crime-Free Housing. This provision is included in order to ensure a crime free environment for residents. The element should provide for special services in apartment developments to decrease all types of illegal activities and should include an educational component for owners and renters, physical inspections to improve lighting and landscaping and information sharing to establish neighborhood identity. These services are supported by the County [Sheriff's Department Crime-Free Multi-Housing program](#). The Sheriff's local Crime Prevention Specialist provides informational sessions on how to cut crime in multi-family neighborhoods. Expenses associated with the Crime-Free Multi-family Housing program for the proposed project should be covered in the project budget. A full description of the development's Crime Free Multi-Family Housing program or Crime Free Policy must be submitted as part of the Management Plan and must include a proposed Crime-Free Lease Addendum.

L. Development Forms

Applicants must submit: Rental Income Form, Operating Expense, Development Costs, Sources and Uses of Funds, Multi-year Cash Flow and Development Pro Forma.

Applicant's estimated Rental Income Form will be used to determine financial feasibility and affordability of the project (use Attachments A and E to make the necessary calculations). Proposals with high levels of affordability will be given preferential consideration. The number of restricted units in a development must be at least proportional to the amount of funds invested when compared to the total development cost.

M. Energy Efficiency

Creating/preserving affordable housing that is energy efficient offers important short- and long-term benefits in reduced pollution and demand for energy. There are also direct benefits to residents, property owners, state and local housing agencies, Participating Jurisdictions (PJ), and HUD.

These include:

- Energy bill savings for low-income families, property owners, state and local PJs, and HUD;
- Improved home performance (in terms of air quality or reduced maintenance) which creates a healthier environment for residents;
- Greater future financial stability for residents and property owners through increased savings;
- Improved marketability of the home when renting or selling;
- Reduced long-term maintenance costs due to the use of more durable products and building techniques; and
- Increased affordability of housing due to reduced utility costs.

As addressed in the County of San Diego Climate Action Plan, proposals involving construction of new housing are expected to take specific measures to make the units energy efficient by either meeting or exceeding California's Building Energy Efficiency Standards. Examples of energy efficient measures include, but are not limited to, solar photovoltaic panels, dual glazed low-e windows, water efficient appliances, Energy Star rated appliances, durable building products, solar assisted water system or water efficient landscape irrigation. Rehabilitation projects should also propose to increase energy efficiency or energy savings in the housing project. An Energy Efficiency-Based Utility Allowance (EEBUA) schedule is available to qualified projects.

N. Lead-based Paint, Asbestos, other Hazardous Materials, and Environmental Site Assessments (ESA) A housing development proposal must have, at a minimum, an approved Phase I Environmental Site Assessment Report in accordance with the active standard for Phase I ESA's as defined by the American Society for Testing and Materials (ASTM) Standard Practice for Phase I ESA Process. This report is to be submitted with the NOFA application. If a Recognized Environmental Condition (REC) is found during the Phase I ESA process, a Phase II ESA may be required with the housing development proposal to determine if there are significant amounts of contaminants that will require remediation, monitoring, or create land use limitations. Contingent upon the results of the Phase II ESA, a Phase III Environmental Site Assessment may be necessary to include in the housing development proposal.

Testing for asbestos, residual pesticides, mold, water damage and the completion of a hazardous material (asbestos, lead paint) inspection report may be required. Demolition or renovation operations that involve lead-based paint, asbestos containing materials, or other hazardous materials from these activities must conform to and be in compliance with hazardous waste disposal requirements (Title 22 CCR Division 4.5) worker and health safety requirements (Title 8 8 CCR Section 1532.1), State Lead Accreditation, Certification, and Work Practice Requirements (Title 17 CCR Division 1, Chapter 8), and the Health and Safety Code (Division 20, Chapter 6.95, Article 2, Section 25500-25520), and other local, State and Federal regulations.

Time requirements for these reviews vary substantially, depending upon the potential for environmental impact. This process is also consistent with the HUD regulations (24 CFR Part 58), which state, “it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.” (24 CFR 58.5 (i)(2)(i)).

O. Environmental Review

Proposed projects must complete the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) environmental review. Normally, CEQA processing will occur as a part of the land development process required by the local jurisdiction. County staff will assist with preparation of NEPA documentation and coordination with the CEQA process as appropriate. Applicants will be apprised of the progress of the environmental processing and anticipated date of HUD's release-of- funds.

From the time the application has been submitted, the applicant must not commit funds or take any choice limiting actions (including, but not limited to, contracts for excavation, filling, construction, rehabilitation, or other physical activities) until completion of the environmental processing and HUD's formal Release-of-Funds, regardless of whether the work would be accomplished with federal funds or other matching funds. Failure to comply will jeopardize the availability of HUD funds for the project. An environmental review under NEPA must be completed before a contract is executed. The County conducts this review using information provided in the application.

P. Equal Opportunity

Equal opportunity is encouraged in procurement and contract award. Toward this end, proposals from disabled veteran-owned businesses are strongly encouraged. Additionally, for projects receiving HOME or CDBG, women-owned businesses, minority-owned businesses, Section 3 businesses and local firms are also strongly encouraged. Prime contractors are encouraged to subcontract or joint venture with these firms.

Q. Evidence of Funding Commitments

Letters of intent from other lenders must include the name, title and telephone number of the responsible contact person. Applicants must advise if they intend to request that HOME and/or CDBG funding will be subordinate to other funding sources. Senior lenders must subordinate to the County's regulatory restrictions. Proposals that have not provided evidence of funding commitments from all other funding sources, will be deemed “non-responsive” to this NOFA.

R. Evidence of Site Control

Applicants must possess control of the proposed development site through fee title, an option to purchase, a disposition and development agreement with a public agency, a land sales contract, leasehold with development provisions or any other enforceable instrument.

S. Evidence of Supportive Services

Applicants must specify the type and level of supportive services to be provided to special needs populations. In addition, applicants must provide evidence of commitment for the supportive services proposed. Note that HOME funding may support special needs rental housing projects. However, the use of services by residents may not be imposed on a mandatory basis in affordable housing developments. HOME requires that supportive services only be made available on a voluntary basis.

T. Insurance

Specific insurance requirements will be provided based on the final scope of work for an approved NOFA submission.

U. Lead-Based Paint Compliance

Proposals involving buildings constructed prior to 1978 may be adversely affected by strict regulations requiring the remediation/removal of lead-based paint and asbestos-containing building materials, making rehabilitation of older buildings infeasible in some cases. Lead-based paint regulations, effective September 15, 2000, appear in [24 CFR §35](#). Further information on lead-based paint hazard reduction can be obtained from the [HUD Office of Lead Hazard Control and Healthy Homes](#).

V. Location Map and Plans

Applicants must provide a location map, site plan, floor plan and project renderings/photos.

W. Management Plan

The developer will be required to submit a Management Plan for review and approval. If applying for HOME funds, the applicant's attention is called to HOME program regulations [24 CFR §92.253](#), which require certain tenant protections for all rental housing funded by the HOME program and to the HHSA requirement for a crime-free element in the Management Plan. A copy of the sample lease agreement and any addenda are also required. (Refer to Attachment E).

X. Market Study

Applicant must submit a market needs study that examines neighborhood market conditions to ensure adequate need for the project for which funds are to be used. The market assessment should include the following: market trends, market area, demand, supply and a competitive analysis.

Y. Partnership Agreement

As applicable, applicant must provide partnership agreements entered into for the development.

Z. Physical Needs Assessment

Proposals involving rehabilitation or acquisition/rehabilitation must contain specific information on the physical condition of the structure(s), as well as the estimated cost for the rehabilitation work, and may require testing of major building systems. A Physical Needs Assessment (PNA) conducted by an independent third party must be submitted for proposals involving rehabilitation activities. The PNA must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years and the estimated cost for the rehabilitation work. Refer to Section KK for more information on Replacement Reserve requirements. Applicants are encouraged to obtain a PNA prior to making a final offer for purchase of a property. To avoid delays, applicants must provide a termite report for any acquisition project. In addition, testing for asbestos, residual pesticides, mold and water damage may be required.

AA. Pre-construction Conference

A "pre-construction conference" will be held with the bid winning contractor and sub-contractors following contract award and before commencement of construction. The pre-construction conference must announce that Federal Labor Standards and Davis-Bacon Act requirements apply, and that contractors must submit copies of weekly payrolls to the assigned project manager for verification that appropriate wage rates were paid. In addition, the pre-construction conference must announce that the requirements of Section 3 apply. The project administrator must promptly review all such payrolls upon receipt, sign and date the payroll following verification and maintain such payrolls on file for review during monitoring visits. Minutes of the pre-construction conference that document the discussion of federal regulations must be kept in the project files.

BB. Preliminary Title Report

Applicant must provide a preliminary title report.

CC. Prevailing Wage Rates/Davis Bacon

All projects funded through this NOFA process are public works within the meaning of Labor Code section 1720, and it will be the applicant, developer's, and owner's responsibility to ensure compliance

with California's prevailing wage laws, Labor Code section 1770 et seq. and all regulations and wage orders that may apply. Generally, developments funded using federal funds (here CDBG or HOME funds) require compliance with the Davis-Bacon Act and requires payment of federal Davis-Bacon Wage rates or state prevailing wages to construction workers. Applicants must use the required wage rates in the calculation of project development costs. The Davis-Bacon Wage Act (40 U.S.C. 276a – 276a-5) requires the payment of wages to laborers and mechanics at a rate not less than the minimum wage determination specified by the U.S. Secretary of Labor. Wage determinations are available at <http://www.wdol.gov/>. CDBG and HOME projects must comply when:

- CDBG: Rehabilitation of residential property contains eight (8) or more units
- HOME: The rehabilitation or new construction of a housing development includes twelve (12) or more units assisted with HOME Funds.

Weekly review of certified payroll reports is required. The applicant must use either the Department of Labor's WH-347 payroll form or any other type of payroll form that contains all the information required on the WH-347 form. The applicant shall conduct compliance reviews of the project by conducting employee interviews as required by Davis-Bacon labor standards. Form HUD-11 (Record of Employee Interview) must be used to conduct employee interviews and records must be stored in a secure location. The applicable Davis-Bacon Wage Decision, including modifications, and the Federal Labor Standards Provisions must be included in the project bid documents and/or contract specifications for any work subject to Davis-Bacon prevailing wage requirements.

If there is any discrepancy between Davis-Bacon and California Prevailing Wage laws, the applicant shall comply with the stricter requirement.

**DD. Priorities and Underwriting Criteria**

- The financing structure and operating pro forma will be evaluated to determine feasibility during the affordability period. Projects proposing the use of Low-Income Housing Tax Credits shall demonstrate financial feasibility for a minimum 30-year term.
- Loan terms/underwriting are subject to change at HHSA's sole discretion. HHSA reserves the right to impose additional and/or revised conditions in the final documentation of the transaction and as are reasonably necessary to protect the interests of HHSA and fulfill the intent of this NOFA.

**EE. Project Location**

- IHTF-only funded developments may be located within the San Diego County region.
- HOME-only funded projects must be located within the jurisdiction of the HOME Consortium (as previously defined) or serve residents of the HOME Consortium. Affordable housing activities located outside the eligible areas may be considered only for those proposals that clearly demonstrate a regional benefit to "special needs" residents of the HOME Consortium. In addition, there must be a substantial contribution by the local jurisdiction involved and a proportional sharing of affordable housing credits. Local jurisdiction's commitment for funding should be evidenced at the time of submission.
- CDBG-only funded projects must be located within the Urban County (as previously defined).
- Projects that receive through this NOFA approval for funding from more than one program must be located in those areas that are eligible for all funding programs.
- Preference will be given to projects located in the unincorporated area of the County of San Diego.

**FF. Reasonable Developer Fee**

Developer's fees typically do not exceed 10 to 12 percent of the total development cost.

**GG. Rehabilitation Estimate**

All HHSA-funded developments involving acquisition must include the repair or replacement of major building systems to extend the service life of the property improvements for a minimum of 15 years.

Testing of major building systems may be required. Applicants must obtain a Preliminary Cost Estimate prior to making a final offer for purchase of a property.

HH. Rehabilitation Standards

Rehabilitation activities must conform to the local written Rehabilitation Standards of the County of San Diego found in Attachment H. Note that HOME rehabilitation and acquisition projects must conform to the Uniform Physical Condition Standards (UPCS). The implementation date for UPCS has not yet been confirmed by HUD. Once these revisions go into effect and HUD guidance has been issued, the Rehabilitation Standards will be modified accordingly.

II. Relocation Plan

NOFA applications involving relocation of residents (residential or commercial) shall include an anti-displacement/relocation plan in compliance with relocation laws. Developers are strongly encouraged to contract with a relocation consultant to manage the relocation process. The California Relocation Assistance Act or Uniform Acquisition and Relocation Act of 1970 (URA), as revised, and Section 104(d) of the Housing and Community Development Act of 1974, as amended, may apply. Proposed relocation plans must budget for all relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Relocation Plans must include a current copy of rent rolls, as of the date of submission, detailing family income, household characteristics and current rent paid per household in the proposed project.

JJ. Relocation Noticing

Upon submission of the NOFA application, tenants (residential or commercial) must receive a written General Information Notice, (see Attachments II – I2) notifying tenants of their rights under the Uniform Relocation Act, as revised. New rental applicants to the proposed project must also receive a written notification “Notice to Prospective Tenant” (refer to the sample in Attachment I4) informing them of the proposed acquisition/rehabilitation of the property. All notices must be hand delivered or sent via U.S. Certified Mail. Developer must document the manner of delivery and provide delivery receipts.

KK. Replacement Reserve Analysis

An adequate 15-year replacement reserve analysis will identify the current condition of all building elements in the development (the roof, plumbing, exterior, interior, etc.) and indicate any repairs that may require immediate attention. The analysis should indicate the year built, the expected useful life of the system, the remaining life expectancy and the year requiring replacement. The analysis should indicate the estimated annual expenditures required to maintain the property and provide a funding plan summarizing the annual replacement reserve contribution necessary to meet future expenditure requirements.

All units in the development must meet the new construction or rehabilitation replacement reserve underwriting standards, not just the HHSA HOME-assisted units. For all rehabilitation developments, HHSA underwriting standards require that developers budget a minimum of \$720 per unit, per year in the replacement reserve. For new construction developments, HHSA underwriting standards require that developers budget a minimum of \$375 per non-Permanent Supportive Housing (PSH) unit, per year in the replacement reserve. For Permanent Supportive Housing, developers must budget a minimum of \$500 per PSH unit, unless use of a lower or higher rate is required by another funding source, including LIHTC. HHSA reserves the right to require higher replacement reserves based on a capital needs assessment that includes an analysis of all major systems, their remaining useful life, and projected replacement needs.

LL. Section 3 Requirements

Recipients, sub-recipients, contractors and sub-contractors administering or working on projects funded with HOME and/or CDBG funds through this NOFA must comply with Section 3 regulations, as

applicable. The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that employment and other economic opportunities generated by HUD financial assistance are directed to lower-income workers/trainees, and to businesses which provide economic opportunities to lower-income persons. Lower-income persons who are residents of San Diego County are defined as Section 3 Residents. Preference should be given to hiring Section 3 Residents and to awarding contracts that benefit Section 3 Businesses from the neighborhood receiving the financial assistance. Contractors are required to complete Section 3 forms.

MM. Tax Credit Application (if applicable)

Applicants must provide copies of the Tax Credit application and note the date of submission.

NN. Tenant Characteristics Form

If the proposed development is currently occupied, a Tenant Characteristics Form is required to determine the extent of relocation. (Refer to Attachment I).

OO. Timeline for Closing and Loan Disbursement of Funds

**Time is of the essence to expend committed funds. Upon approval of a conditional loan commitment, funds will be reserved for the longer of up to 24 months or 3 tax credit application rounds.**

Recipients of IHTF/HOME/CDBG funds will be required to execute a promissory note, deed of trust, regulatory agreement, and other related loan and construction documents. Loan funds will not be disbursed until the loan is closed through escrow and, if the proposal includes relocation of residents or businesses, the developer's relocation consultant has submitted a Relocation Plan and has issued all appropriate Uniform Relocation Act required notices and any other informational requirements to all existing tenants. Loan funds will be disbursed for work completed following approval in a form prescribed by HHSA. Fund control may be required by HHSA. Verifiable documentation of expenses must be submitted with all payment requests.

HHSA reserves the right to reallocate HOME/CDBG funds from one approved project to another or to new activities, or to cancel fund reservations at its discretion, if projects are not proceeding satisfactorily (in the sole opinion of HHSA) towards commencement of the proposed activity. As outlined elsewhere, displacement, prevailing wages, environmental review, as well as other program requirements may apply.

PP. Title Insurance

A California Land Title Association (CLTA) or an American Land Title Association (ALTA) policy insuring the County of San Diego is required.

QQ. Transition Reserve

Permanent Supportive Housing Projects and Projects with Project Based subsidies shall have a transition reserve in the amount established by HHSA in the event that any Project-based rental assistance is not renewed, or in the event that operating subsidies are exhausted, and the Project cannot secure sufficient other rental or operating subsidies to continue without immediately raising rents.

The minimum amount of the transition reserve for renewable Project-based rental assistance shall be the amount sufficient to prevent rent increases for one year following the loss of the rental assistance. The minimum amount of the transition reserve for non-renewable Project-based rental assistance or operating subsidies shall be the amount sufficient to prevent rent increases for two years following the loss rental assistance.

If rent increases are necessary after exhausting all transition reserve funds such increases shall only be permitted to the minimum extent required for financial feasibility, as determined by HHSA.



The Owner shall notify HHSA, 18 months in advance, of any rent increases due to exhaustion of the transition reserve. If rent increases are necessary due to loss of rental or operating assistance, if it is determined that tenants will need to move after exhausting all transition reserve funds, a transition plan shall be implemented to identify other permanent housing options that may be more affordable to tenants who cannot afford the increased rent, and to assist those persons in accessing other available housing. Funds from the transition reserve may be used for these expenses.

RR. Voluntary Acquisition Notice

A Voluntary Acquisition Notice (refer to Attachment H3) must be delivered to the seller of the property prior to making an offer, entering into a purchase agreement, and submittal of the NOFA application. Evidence of the manner and proof of delivery must be included with the NOFA application.

# CERTIFICATION

The undersigned certifies under penalty of perjury that all statements made in this proposal are true and correct to the best of the undersigned's knowledge.

_____ Authorized Signature	_____ Typed Name
_____ Title	_____ Date Signed

Return one scanned PDF copy submitted on a USB drive, one signed original and one copy (each in a three-ring binder) of the NOFA General Application and Attachments to:

**Housing and Community Development Services  
County of San Diego  
Attn: Community Development  
3989 Ruffin Road  
San Diego, CA 92123-1815**

**HHSA**  
**NOFA ATTACHMENTS**

## **ATTACHMENT A**

### **HOME PROGRAM BASICS**

This information is highly abridged and is applicable only to applicants seeking HOME program funding under this NOFA. Applicants are responsible for reviewing and adhering to the complete HOME program regulations at [24 CFR Part 92](#). The summary that follows intends to highlight key modifications under the 2013 HOME Final Rule. If there are any discrepancies between this summary and the applicable HUD regulations, applicants must comply with the HUD regulations.

#### **USE OF HOME FUNDS OUTSIDE HOME CONSORTIUM**

1. HHSA may only invest its HOME funds in eligible projects within its boundaries, or in jointly funded projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions. The 2013 HOME Final Rule amended [24 CFR §92.201\(a\) \(2\)](#) to provide guidance about what constitutes a “joint project.” It states that a joint project is one in which both jurisdictions make a financial contribution to the project. The contribution can be in the form of a grant, loan or relief of a significant tax or fee (such as waiver of impact fees, property taxes or other taxes or fees customarily imposed on projects within the jurisdiction) and must contribute to the feasibility of the project.

#### **SITE AND NEIGHBORHOOD STANDARDS**

2. HHSA provides HOME funds for housing that furthers compliance with civil rights laws and that promotes greater choice of housing opportunities. Proposed project sites of projects involving new construction of rental housing must meet site and neighborhood standards prior to a funding commitment. Projects funded with IHTF funds shall follow the same site and neighborhood standards as HOME funds.

#### **PROPERTY STANDARDS**

3. Housing that is newly constructed with HOME funds must meet applicable state and local codes, ordinances, and zoning requirements. New construction projects must meet state or local residential and building codes, as applicable or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable to the type of housing) of the International Code Council. The housing must meet the applicable requirements upon project completion. In addition, the following apply:
  - a. The housing must meet the accessibility requirements of [24 CFR §8](#), which implements Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act implemented at [28 CFR §35 and §36](#), as applicable. Covered multi-family dwellings, as defined at [24 CFR §100.201](#), must also meet the design and construction requirements at [24 CFR §100.205](#), which implements the Fair Housing Act.
  - b. Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding and wildfires), in accordance with state and local codes, ordinances or other state and local requirements, or such other requirements HUD may establish.
  - c. The construction contract(s) and construction documents must describe the work to be undertaken in adequate detail so that thorough inspections can be conducted. HHSA will review and approve written cost estimates for construction and determine whether costs are reasonable.
  - d. HHSA must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract and construction documents.
  - e. Projects funded with IHTF funds shall follow the same property standards as HOME funds.
4. HOME rehabilitation standards set forth the requirements the housing must meet upon project completion. HHSA’s standards detail required rehabilitation work, including methods and materials. The standards address the following:

- a. Identification of life-threatening deficiencies (must be addressed immediately in occupied housing).
- b. Major systems, such as structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding and gutters); plumbing; electrical; and heating, ventilation, and air conditioning. The standards require an estimate (based on age and condition) of the remaining useful life of these major systems, upon project completion of each major system. For multi-family housing projects of 26 units or more, the standards require determination of the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the standards require a replacement reserve and monthly payments made to the reserve that are adequate to repair or replace the system(s) as needed.
  - I. All units in the development must meet the new construction or rehabilitation replacement reserve underwriting standards, not just the HHSA assisted units.
  - II. For all rehabilitation developments, HHSA underwriting standards require that developers budget a minimum of \$720 per unit, per year in the replacement reserve.
  - III. For all new construction developments, HHSA underwriting standards requires that developers budget a minimum of \$375 per unit, per year in the replacement reserve. HHSA reserves the right to require higher replacement reserves based on a capital needs assessment, to include an analysis of all major systems, their remaining useful life, and projected replacement needs.
- c. The standards must require the housing to meet the lead-based paint requirements at [28 CFR §35 and §36](#).
- d. The standards must require the housing to meet the accessibility requirements in [24 CFR §8](#), which implements Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the Americans with Disabilities Act implemented at [28 CFR §35 and §36](#), as applicable. Covered multi-family dwellings, as defined at [24 CFR §100.201](#), must also meet the design and construction requirements at [24 CFR §100.205](#), which implements the Fair Housing Act. Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.
- e. Where relevant, the standards must require the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding and wildfires) in accordance with state and local codes, ordinances and requirements.
- f. The standards must require the housing to meet all applicable state and local codes, ordinances and requirements or, in the absence of a state or local building code, the International Existing Building Code of the International Code Council.
- g. The standards must be such that, upon completion, the Project and units will be decent, safe, sanitary and in good repair as described in [24 CFR §5.703](#). HUD will establish the minimum deficiencies that must be corrected under HHSA's rehabilitation standards based on inspectable items and inspected areas from HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to [24 CFR §5.705](#).
- h. For multi-family rental housing projects of 26 or more total units, HHSA must determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment of the project.
- i. HHSA must ensure that the work to be undertaken will meet the rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance with the standards. HHSA must review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.
- j. HHSA must conduct an initial property inspection to identify the deficiencies that must be addressed. HHSA must conduct progress and final inspections to determine that work was done in accordance with work write-ups.
- k. Projects funded with IHTF funds shall follow the same rehabilitation standards as HOME funds.

5. Existing housing that is acquired with HOME assistance for rental housing that was newly constructed or rehabilitated less than 12 months before the date of commitment of HOME funds, must meet the property standards noted above for new construction and rehabilitation projects. HHSA must document this compliance based upon a review of approved building plans and Certificates of Occupancy, and an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. All other existing housing that is acquired with HOME assistance for rental housing must meet the rehabilitation property standards requirements above. HHSA must document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds cannot be used to acquire the property unless it is rehabilitated to meet the standards noted above. Projects funded with IHTF funds shall follow the same standards.

#### **VACANT LAND**

6. Acquisition of vacant land or demolition with HOME funds may be undertaken only for a particular affordable housing project on which construction will begin within 12 months. HOME funds may not be used to acquire property or demolish structures on land for which there is not an immediate, planned HOME-eligible use.

#### **REFINANCING**

7. HOME funds can be used for refinancing only in projects where rehabilitation is the primary activity. For refinancing to be an eligible cost, the rehabilitation cost must exceed the amount of debt that is refinanced with HOME funds. Refinancing alone is not an eligible HOME activity and HOME funds may not be used to refinance existing debt of projects unless rehabilitation is the primary activity taking place.

#### **HOME-ASSISTED UNITS**

8. Only units receiving HOME funds are considered "HOME-assisted units." HOME per unit subsidy limits, rent limits, and HOME occupancy requirements apply only to "HOME-assisted units."

#### **HOME SUBSIDY LIMITS**

9. The minimum HOME investment in rental housing is \$1,000 times the number of HOME-assisted units as described in the HOME regulations at [24 CFR §92.205\(c\)](#). Effective May 24, 2017, HOME participating jurisdictions are subject to the Maximum Per Unit Subsidy Limits below, based on the Section 234 Elevator-Type limits after applying the 240 percent HCP (High Cost Percentage): Section 234 limits are updated by HUD via the Federal Register under "Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs". Projects funded with IHTF funds will follow HOME subsidy limits

#### **HOME AFFORDABILITY REQUIREMENTS**

10. HOME-assisted units must be affordable at initial occupancy and over an established "affordability period." Within six months from the date of project completion, if a rental unit remains unoccupied, HHSA must provide to HUD information about current marketing efforts and, if appropriate, an enhanced plan for marketing the unit so that it is leased as quickly as possible. Within 18 months from the date of project completion, if efforts to market the unit are unsuccessful and the unit is not occupied by an eligible tenant, HUD will require repayment of all HOME funds invested in the unit. A unit that has not served a low- or very low-income household has not met the purposes of the HOME program. Therefore, the costs associated with the unit are ineligible.

#### **OCCUPANCY REQUIREMENTS FOR HOME-ASSISTED UNITS**

11. HOME-assisted units must be initially occupied by families who have annual incomes that are 60 percent or less of San Diego's Area Median Income. In projects of five or more HOME units, at least 20 percent of

the HOME-assisted units must be continually occupied by families who have annual incomes that are 50 percent or less of San Diego's Area Median Income. Income limits may be found in the Attachment Section.

### **MAXIMUM INITIAL RENTS FOR HOME-ASSISTED RENTAL UNITS**

12. Every HOME-assisted unit is subject to rent controls called "HOME rents." For properties of five or more units, there are two HOME rents established for every project: "High HOME rents" and "Low HOME rents." Refer to the HOME regulations at [24 CFR §92.252](#) for a full definition. HOME rent limits include both the rent and utilities (or utility allowances). Review and approval of rents for each HOME-assisted rental project is required **each year** to ensure that rents comply with the HOME limits and do not result in undue increases from the previous year. For a full description, please refer to the HOME website. IHTF funds shall follow the same maximum initial rents as outlined above.

### **UTILITY ALLOWANCES**

13. A new provision at §92.252(d) will require HHSA to determine an individual utility allowance for each HOME rental project, either (1) by using the HUD Utility Schedule Model, or (2) by otherwise determining the allowance based upon the specific utilities used at the project. Upon issuance of HUD guidance, this new provision will apply. The HUD Utility Schedule Model was developed by HUD and enables the user to calculate utility schedules by housing type after inputting utility rate information. The IRS uses this model to determine utilities for the LIHTC program.
14. The model can be found at: <http://huduser.org/portal/resources/utimodel.html>. As more projects are constructed or rehabilitated to higher energy-efficiency standards, the use of a standard utility allowance may not represent actual utility costs and is difficult to justify. Until HUD instructs HHSA otherwise, HOME grantees are still permitted to use a single utility allowance (such as that established by the local Public Housing Authority) for every HOME-assisted rental project.

### **IHTF and HOME-ASSISTED UNIT RESTRICTIONS**

- I. The affordability period for HHSA multi-family projects is 99 years.
- II. Tenant incomes and rents are strictly controlled during the affordability period. Owners are required to examine tenant incomes annually to ensure that tenants meet the HOME and IHTF income requirements.
- III. The rent and occupancy restrictions will be incorporated into a regulatory agreement and will bind the project for the full term of the regulatory agreement regardless of prepayment, sale or transfer. In order to be effective, affordability restrictions will be recorded in the regulatory agreement.
- IV. Leases are required for all HOME and IHTF-assisted rental units, consistent with §92.209(g). The lease term must be for a period of at least one year, unless a shorter period is mutually agreed upon.

### **INCOME DETERMINATIONS**

15. The 2013 HOME Final Rule imposes a number of changes for income determinations. Below is a summary of the changes:
  - a. Examination of at least two months of source documentation (e.g., wage statements, interest statements or unemployment compensation documentation) is required to determine household income for all potential HOME beneficiaries.
  - b. Either the income definition in HUD's regulations at [24 CFR §5](#) (often referred to as "the Section 8 definition") or the definition of adjusted gross income of the IRS must be used.
  - c. A single definition of income must be used for each HOME-assisted rental housing project to ensure equitable treatment for all applicants.
  - d. When determining the annual income of a household to establish eligibility for HOME assistance, the income of **all** persons in the household must be counted, including nonrelated individuals.
  - e. Projects funded with IHTF funds shall follow the HOME Final Rule for income determinations

### **PROPERTY INSPECTION REQUIREMENTS**

17. Projects must be inspected at completion and throughout the affordability period to ensure that the units meet the required property standards. On-site inspections must occur within 12 months after project completion and at least once every 3 years thereafter during the period of affordability. Inspections must be based on a statistically valid sample of units appropriate for the size of the HOME-assisted project, as set forth by HUD. For projects with one-to-four HOME-assisted units, the participating jurisdiction must inspect 100 percent of the HOME-assisted units and the inspectable items (site, building exterior, building systems and common areas) for each building housing HOME-assisted units.

### **LOW-INCOME TAX CREDIT AND HOME**

18. Qualified LIHTC units must not exceed LIHTC rent limits. HOME-assisted units must meet High and Low HOME rent requirements.

***Combining HOME and tax credit affects rental properties in various complex ways and developers are urged to consult a subject expert prior to submitting their proposal.***

### **FEES CHARGED BY PROJECT OWNERS**

19. Project owners may not charge fees to tenants that are not reasonable or customary, such as a monthly fee for access to laundry facilities. Fees that are allowable include parking fees in neighborhoods where such fees are customary and the cost of non-mandatory services such as meal or bus service (as long as the services are voluntary). Note that HOME funding may support special needs rental housing projects. However, the use of services by residents may not be imposed on a mandatory basis. HOME requires that supportive services are made available on a voluntary basis.

### **RENTAL COMPLIANCE MONITORING FEES**

20. HHSA will charge fees to cover the cost of ongoing monitoring and physical inspection of HOME and ITHF projects during their 99 year period of affordability. Compliance and monitoring fees must be included in the cost of the project as part of project underwriting. HHSA fees are based upon the average actual cost of monitoring the property. An initial compliance monitoring fee of \$4,000 will be due and payable to HHSA at the time of initial occupancy. Subsequent payments will be due on the anniversary date of initial occupancy and the monitoring compliance fee will increase annually at a rate of one percent. Failure to submit annual payments will result in a Notice of Default being issued by HHSA.

### **PROJECT COMMITMENT AND COMPLETION**

21. Commitment of NOFA funds is defined as full execution of the HHSA loan documents. HHSA will not commit funds to a new construction or rehabilitation project until:
  - a. All necessary financing is secured.
  - b. A budget and production schedule is established. Use of HOME funds must be clearly identified by line item.
  - c. Underwriting and subsidy layering reviews are completed.
  - d. Market assessment is completed.
  - e. Assessment of the experience and financial capacity of the developer is completed.
  - f. Construction is expected to start within 12 months.
  - g. All required environmental reviews are complete and satisfactory
22. Projects must be fully occupied within four years from the date the written agreement is executed (project commitment). A project will be terminated if not completed within four years and repayment of the HOME funds will be triggered. In the event that a project is not completed within the four-year timeframe, HHSA may request a 12-month extension from HUD. The request should provide information about the status of the project, steps being taken to overcome obstacles to completion, proof



of adequate funding to complete the project, and a schedule with milestones for completion of the project.

23. HOME funds require a minimum 25 percent match for acquisition, substantial or moderate rehabilitation activities and new construction

## **ATTACHMENT B**

### **TRANSITIONAL HOUSING (TH)**

Transitional housing (TH) is designed to provide individuals and families experiencing homelessness with interim stability and support so that they may successfully transition to and maintain permanent housing. For those participants who choose a supportive transitional housing environment, understanding the availability of longer-term services in conjunction with connecting to permanent housing can be effective for targeted populations, including but not limited to:

- those struggling with substance use disorders or in early recovery who may desire more intensive support;
- victims of domestic violence or other forms of severe trauma, such as those escaping sex trafficking; or
- unaccompanied and pregnant or parenting youth who are unable to live independently and prefer a congregate setting

Developer should have few barriers to program entry and for continuance in the program.

The Development should be a congregate living site that facilitates movement to permanent housing as quickly as appropriate. Developer will offer supportive services specific to employment and job training; other custom services will depend on the target population the awarded developer designates in its proposal. Project staff should be aware of and know how to access community resources that can assist families achieve their permanent housing placement and stabilization goals, including services for employment, education, mental health treatment, alcohol and other drug treatment and legal services.

Examples of basic onsite services include:

**1. Housing Accommodations**

- Housing units are in a safe, sanitary and accessible facility that is available 24 hours per day, seven days a week. Units can be self-contained (complete with kitchen and bathroom) or dormitory style with some personal privacy considerations.

**2. Hygiene Accommodations**

- Sufficient supply of clean and reasonably private toilets and wash basins, with hot and cold running water.
- Sufficient quantity of clean and reasonable private bathing facilities with hot and cold running water.
- Provision of clean towels, soap and toilet paper.

**3. Food**

- Referral or access to three, well-balanced and hot meals per day per person.
- Reasonable accommodation for persons with a special dietary need that is documented by a medical provider.

**4. Laundry**

- Regular access to laundry facilities.
- Clean linen upon entry to housing and at least once per week.

**5. Mail Service**

**6. Transportation Services for School-aged Children or within reasonable distance to public transportation**

**7. Storage Facilities**

- Onsite, secure storage must be made available to families to store their belongings while they remain in housing.

**8. Supportive Services** - Supportive services in the form of collaborative efforts between TH case management staff and families to meet individual needs. Delivery of supportive services that are family-centered and strength-based. Case managers who lead supportive services will be skilled in motivational interviewing and progressive engagement tactics. Supportive services shall

- align with individual and/or families' choice and prioritization of goals and will facilitate stabilization and movement into permanent housing and include services to promote improved employment and/or benefits
- include an appropriate range of custom services for all household members, including children
- promote autonomy and independence in making life choices

9. **Housing Focused Services** – All individuals and/or families are assisted with a housing-based service plan designed to meet the unique needs of each household. Services to assist families in finding and securing permanent housing as quickly as possible; services include, but not be limited to:
- Intensive housing search/location services
  - Landlord negotiating assistance
  - Rental application completion, including applications for subsidized housing
  - Moving assistance, including the logistics of moving into permanent housing

## **REQUIRED SERVICES**

Project shall provide basic onsite housing services for families in a facility that is safe, sanitary, accessible, and meets all applicable building, safety, and health codes outlined in this NOFA and required by funding sources. Housing services include, sleeping and hygiene accommodations (showers, toilets, etc.), laundry, mail service, transportation services for children to attend school or reasonable access to public transportation, storage facilities and services to assist participants to quickly return to permanent housing. Project shall operate 24 hours per day, seven days per week and shall have at least one staff member on duty at all times.

## **LOW BARRIER ACCESS**

Given the need to accommodate residents with complex conditions, HHSA strongly encourages low-barrier entry and continued stay requirements and easily accessible assistance to all residents meeting the above criteria, including, but not limited to, people who have:

- no income/employment or income/employment history
- active or past history of substance abuse and/or mental health issues, or
- past involvement with criminal justice system

## **OTHER REQUIREMENTS**

The awarded Developer will:

- Provide annual reports regarding the metrics identified in the Program plan and other requested information relative to TH compliance and performance
- Enter and update their TH statistics in the Homeless Management Information System (HMIS), as applicable
- Provide HHSA staff with 24-hour access to the program facility, and ability to meet with and offer resources to residents participating in TH
- Guarantee client rights and confidentiality
- If the TH program operates outside of the local Coordinated Entry System (CES), TH program will furnish HHSA with the list of residents waiting for TH and do so quarterly or as the waiting list is updated
- Be responsible for all program facility and utility costs
- Ensure program staff, hired youth and volunteer staff who will have direct contact with shelter children will be cleared through the Department of Justice Fingerprinting System prior to providing services to ensure that each staff member has no past conviction involving crimes against children or who pose a potential risk to the well-being of children
- Maintain the facility, including all related janitorial, kitchen, and general up keep of the facility

## **EXPECTED OUTCOMES**

The annual vacancy rate for the TH program shall not exceed 5 percent. Application shall include expected annual outcome of the TH program including, but not limited to:

1. Number of residents served over the course of a year
2. Percentage of residents that increase their income from employment over the course of a year
3. Percentage of residents that will exit the program into permanent housing over the course of the year
4. Percentage of residents exited from the TH program into permanent housing that will maintain six months of housing from TH exit

5. Percentage of residents exited from the TH program into permanent housing that have increased income from employment
6. One hundred percent of residents with a negative exit from the TH program will complete a survey to capture the circumstance around their exit
7. Additional performance goals relative to the particular target population

**ATTACHMENT C**  
**SAMPLE BOARD RESOLUTION**

[Letterhead of Applicant]

**RESOLUTION OF BOARD OF DIRECTORS**  
**OF**

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WHEREAS, this entity has a minimum of four directors who constitute a quorum for conducting organization business, the organization conducts at minimum quarterly board meetings, quarterly financial statements are reviewed by the board, and the executive director and other paid staff do not serve as voting board members;

WHEREAS, \_\_\_\_\_ is a \_\_\_\_\_ [Status of Corporation, i.e. A Non-profit Public Benefit Corporation, qualified pursuant to the provisions of Internal Revenue Code Section 501 (c)(3), etc.];

WHEREAS, \_\_\_\_\_, recognizes that the community at large, and especially low-income residents have many diverse needs for social, housing, education and other services;

WHEREAS, \_\_\_\_\_, is committed to effectively serving the communities referenced in the prior recital; and

NOW THEREFORE BE IT RESOLVED as follows:

1. That \_\_\_\_\_ is committed to providing safe, decent and affordable housing for persons of very low-, low- and moderate-income levels;
2. That on or about \_\_\_\_\_ 201 , the Board of Directors voted to authorize the \_\_\_\_\_ [title of person authorized], or his designee, to apply for and accept assistance of the Project located at [address], for the purpose of obtaining financing for the \_\_\_\_\_ [purpose, i.e. acquisition, rehabilitation, refinancing, tenant relocation, construction, etc.] of the Project, in an amount not to exceed \_\_(\$\_\_) from the County of San Diego, Housing and Community Development Services.
3. That the Board of Directors further voted to authorize the \_\_\_\_\_ [title of person], or his designee, to execute any and all documents required by the County of San Diego, Housing and Community Development Services, including, without limitation, the Promissory Note, the Deed of Trust, the Regulatory Agreement, Escrow Instructions, and any and all other documents requested by the County of San Diego, Housing and Community Development Services, to document and secure its loan.
4. That the Board of Directors further authorized the \_\_\_\_\_ [title of person], or his designee, to perform all acts and to do all things necessary, in the opinion of the County of San Diego, Housing and Community Development Services to implement the funding and making of the Loan.

I, the undersigned, certify that this Resolution was adopted at regularly or specially noticed meeting of the Board of Directors on \_\_\_\_\_, 201\_, at which a quorum of the Board of Directors was present, and at which the requisite percentage of the quorum voted to adopt the Resolution and that the Resolution has not been rescinded, modified or canceled as of the date of my execution of the same and that it

remains in full force and effect as of this date. I further understand that the County of San Diego, Housing and Community Development Services is relying on the validity of this Resolution in taking the actions to process and approve the application.

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 \_\_\_\_\_, 201\_\_\_\_\_, at San Diego, California.

By: \_\_\_\_\_

Title: \_\_\_\_\_

## ATTACHMENT D

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

### Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing  
and Urban Development  
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2502-0608  
(exp. 04/30/2020)

1a. Grantee Name & Address (including City, County, State, Zip Code, Telephone No. & email address)	1b. Rental Assistance Contract Number
<div></div>	<div></div>
	1c. No. of Units <div></div>

1d. Entity Responsible for conducting Outreach and Referral (check all that apply)

☐ Grantee ☐ Service Provider ☐ Other (specify)

Entity Name, Contact Person and Position (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1e. If the outreach is performed by any other entity other than the Grantee, explain how the Grantee will monitor their activities to ensure compliance with affirmative fair housing outreach requirements. Enter "N/A" in the field below if not applicable.

1f. To whom in the Grantee's office should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type 

Please Select Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

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**2b. Outreach Start Date**

Grantees should not begin accepting applications prior to conducting the marketing and outreach activities identified in the approved AFHMP.

Date Outreach will begin (xx/xx/xxxx)

Date Grantee will begin accepting applications (xx/xx/xxxx)

Note: Only Fiscal Year 12 Demonstration Grantees are permitted to accept applications prior to conducting marketing and outreach activities identified in the approved AFHMP.

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**3a. Target Areas (check one):** ☐ **Statewide** ☐ **Other (specify)**

---

**3b. Target Population(s)**

---

**3c. Is all or some of the Target Population(s) covered by a Settlement Agreement?** No ☐ Yes ☐

---

**3d. Demographics of Target Population(s)**

(check all that apply)

- |                                                                    |                                                                            |                                |                                                    |
|--------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------|----------------------------------------------------|
| <input type="checkbox"/> White                                     | <input type="checkbox"/> American Indian or Alaska Native                  | <input type="checkbox"/> Asian | <input type="checkbox"/> Black or African American |
| <input type="checkbox"/> Native Hawaiian or Other Pacific Islander | <input type="checkbox"/> Hispanic or Latino                                |                                |                                                    |
| <input type="checkbox"/> Families with Children (under age 18)     | <input type="checkbox"/> Other ethnic group, religion, sex, etc. (specify) | <input type="text"/>           |                                                    |



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3e. Data Source(s) used to obtain the demographic characteristics.

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4a. Identify the demographic group in the target population(s) that are least likely to apply.

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4b. For each demographic group in the target population(s) that are least likely to apply, provide a description of how the program will be marketed to eligible individuals in the target population(s).

---

**5a. Fair Housing Poster**

The Fair Housing Poster must be prominently displayed in all offices/locations in which rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☐ Rental Office    ☐ Grantee Office    ☐ Model Unit    ☐ Other (specify)

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**5b. Affirmative Fair Housing Marketing Plan**

The AFHMP must be available for public inspection at all rental offices/locations (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☐ Rental Office    ☐ Grantee Office    ☐ Model Unit    ☐ Other (specify)

---

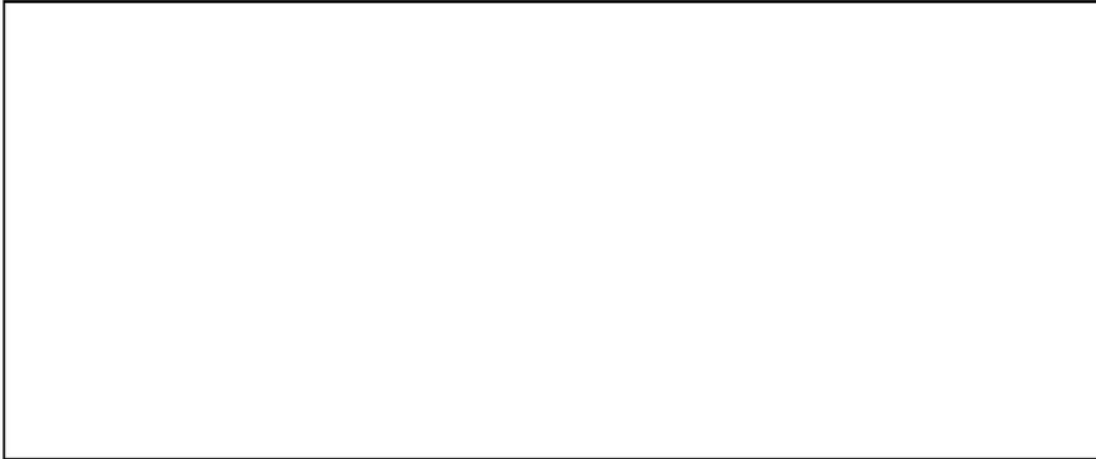
**5c. Project Owner Compliance to display Fair Housing Poster and the AFHMP**

Explain how you will ensure that every project owner will prominently display the Fair Housing Poster and AFHMP.

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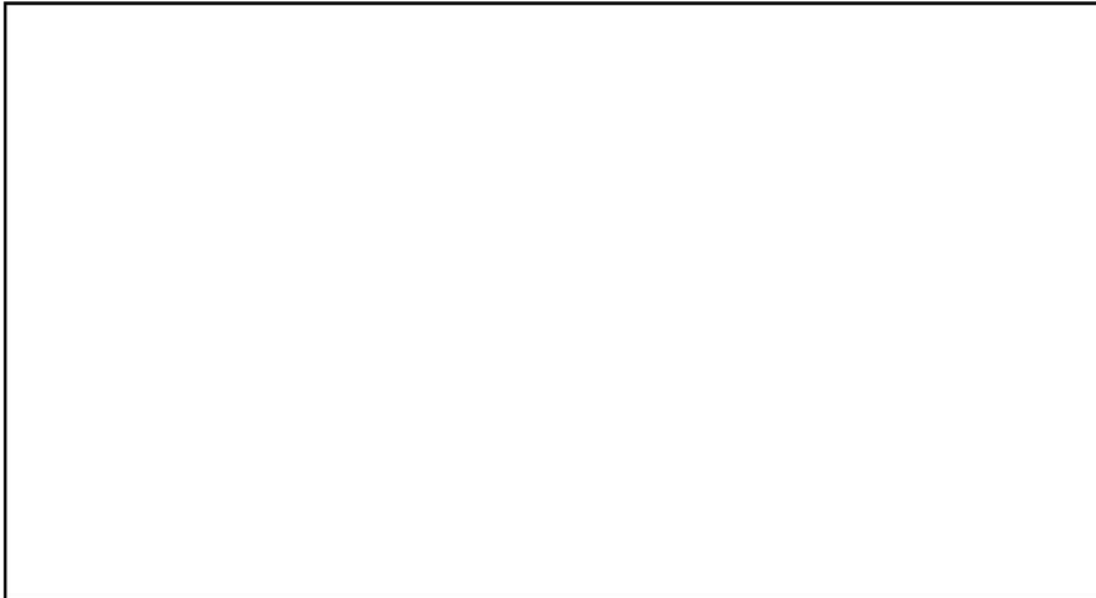
**6. Evaluation of Marketing Activities**

Explain the evaluation process you will use to determine whether your outreach activities have been successful in attracting individuals in the target population(s) who are least likely to apply, including who will be responsible for conducting this evaluation, when this evaluation will be conducted and how the results of this evaluation will inform future marketing activities.



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**7. Additional Considerations.** Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to eligible persons in the target population(s) who are least likely to apply for the program? Please attach additional sheets, as needed.



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## 8. Review and Update

By signing this form, the grantee agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 8 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). The Grantee also certifies that training will be provided to staff/entities that provide outreach to target population(s) for the purpose of enrollment in the 811 PRA program. Training will consist of affirmative fair housing outreach requirements and the Fair Housing Act, Section 504 of the Rehabilitation Act, Title VI of the Civil Rights Act and the American with Disabilities Act. I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

\_\_\_\_\_  
Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

\_\_\_\_\_  
Name (type or print)

\_\_\_\_\_  
Title & Name of Company

---

### For HUD-Office of Housing Use Only

Reviewing Official:

\_\_\_\_\_  
Signature & Date (mm/dd/yyyy)

Name  
(type or print)

\_\_\_\_\_

Name

Title

\_\_\_\_\_

### For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐

Approval

☐

Disapproval

\_\_\_\_\_  
Signature & Date (mm/dd/yyyy)

Name  
(type or print)

\_\_\_\_\_

Title

\_\_\_\_\_

## ***ATTACHMENT E***

### **San Diego County Income Limits Effective April 24, 2019**

#### **Area Median Income (AMI)\***

<b>FAMILY SIZE</b>	<b>80% of AMI Low Income</b>	<b>50% of AMI Very Low Income</b>	<b>30% of AMI Extremely Low Income</b>
1	59,950	37,450	22,500
2	68,500	42,800	25,700
3	77,050	48,150	28,900
4	85,600	53,500	32,100
5	92,450	57,800	34,700
6	99,300	62,100	37,250
7	106,150	66,350	39,850
8	113,000	70,650	43,430

\*Income Limits outlined in the table above are current as of the NOFA release date.

Projects must abide by the County income limits as they may be amended from time to time.

## ***ATTACHMENT F***

### ***MANAGEMENT PLAN CHECKLIST***

The developer will be required to submit a Management Plan for review and approval by HHSA. HHSA has adopted the program regulations under 24 CFR §92.253 that require certain tenant and participant protections for all rental housing funded by IHTF or the HOME program. In addition, HHSA requires a crime-free element in the Management Plan. Also required is a copy of the sample lease agreement and any addenda.

The Management Plan is required to follow the format below.

#### **Management**

- ☐ Role and Responsibility of the Owner and/or Delegation of Authority of the Managing Agent
  - ☐ Description of Site/Units
  - ☐ Scope of Duties
  - ☐ Changes in Management
- ☐ Personnel Policy and Staffing Arrangements
  - ☐ Hiring and Personnel Policies
  - ☐ Projected Staffing (On-Site Manager 16 or more units)
  - ☐ Training and Monitoring
  - ☐ Hiring of Residents
- ☐ Maintaining Adequate Accounting Records and Handling Necessary Forms and Vouchers
  - ☐ Accounting Basis
  - ☐ Collections and Disbursements
  - ☐ Contracting, Purchasing, Cost Controls
  - ☐ Compliance and Reporting
  - ☐ Vacancies and Rent Losses
  - ☐ Security Deposits
- ☐ Provisions for Update of Management Plan
- ☐ Insurance

#### **Occupancy**

- ☐ Plan and Procedures for Publicizing and Achieving Early and Continued Occupancy
  - ☐ Outreach (Affirmative Fair Housing Marketing Plan/Advertising)
  - ☐ Resident Selection
  - ☐ Waiting List
  - ☐ Orientation
- ☐ Procedures for Determining Resident Eligibility and for Certifying and Annually Recertifying Household Income and Size
  - ☐ Initial Certification
  - ☐ Recertification
  - ☐ Changes in Eligibility During Occupancy
  - ☐ Leasing Procedures
- ☐ Rent Collection
  - ☐ Rent Payment
  - ☐ Late Rents
  - ☐ Rent Increases
- ☐ Procedure for Appeal, Grievance and Eviction
  - ☐ Right to Hearing
  - ☐ Eviction Procedures
- ☐ Plans for Enhancing Resident-Management Relations
  - ☐ Resident Organization(s)
  - ☐ Community Room
  - ☐ Auxiliary Program
- ☐ Tenant Files Management
  - ☐ Property Management Software
  - ☐ Privacy and Sensitive Information Safeguards

**Maintenance and Security**

- ☐ Construction Follow-Up
- ☐ Maintenance Programs
  - ☐ Maintenance Duties
  - ☐ Maintenance Supervision and Performance
  - ☐ Resident Maintenance Requests
  - ☐ Resident Neglect and Abuse
  - ☐ Reconditioning for New Residents
  - ☐ Preventive Maintenance
  - ☐ Emergency Maintenance
  - ☐ Gardening and Landscape
  - ☐ Contract Maintenance
  - ☐ Maintenance Stock Control
- ☐ Security
- ☐ Crime-Free Program

**Grievance and Appeal Procedure**

- ☐ Definitions
- ☐ Applicability
- ☐ Right to a Hearing
- ☐ Types of Hearings
  - ☐ Informal Hearing
    - ☐ Presentation of Grievance
    - ☐ Summary and Answer
    - ☐ Request for a Formal Hearing
    - ☐ Failure to Request a Hearing
  - ☐ Formal Hearing
    - ☐ Selection of the Hearing Officer or Hearing Panel
    - ☐ Time Limits
    - ☐ Fair Hearing
    - ☐ Private Hearing
    - ☐ Discovery
    - ☐ Disputed Carrying Charges or Other Charges
    - ☐ Proof
    - ☐ Failure to Appear at Hearing
- ☐ Decisions of the Hearing Officer or Hearing Panel
  - ☐ Binding Effect
  - ☐ Proposed Decision
  - ☐ Written Decision
  - ☐ Costs
- ☐ Enforcement of Hearing Officer's or Hearing Panel's Decision
  - ☐ Compliance with Decision
  - ☐ Failure to Comply with Decision
  - ☐ Enforcement of an Eviction Action
- ☐ Right to Go to Court

## **ATTACHMENT G**

### **REHABILITATION STANDARDS**

The 2013 HOME Final Rule requires that rehabilitation and acquisition projects funded through HOME conform to the Uniform Physical Condition Standards (UPCS). The UPCS are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair, pursuant to 24 CFR §5.703. The implementation date for UPCS has not yet been confirmed by HUD. Once these revisions go into effect and HUD guidance has been issued, HHSA will modify the Rehabilitation Standards below accordingly. All units in the development must meet the new construction or rehabilitation replacement reserve underwriting standards, not just the HHSA HOME-assisted units. For all rehabilitation developments, HHSA underwriting standards require that developers budget a minimum of \$720 per unit, per year in the replacement reserve. For all new construction developments, HHSA underwriting standards require that developers budget a minimum of \$375 per unit, per year in the replacement reserve. HHSA reserves the right to require higher replacement reserves based on a capital needs assessment, which includes an analysis of all major systems, their remaining useful life, and projected replacement needs.

#### **I. Introduction**

The following rehabilitation standards shall be the basis for all rehabilitation activities undertaken as part of the following programs:

- HOME Investment Partnerships (HOME) program;
- Neighborhood Stabilization program (NSP);
- Community Development Block Grant (CDBG) program; and
- Housing Opportunities for Persons with Aids (HOPWA).

Upon completion of a project, the property must comply with the rehabilitation standards established for these programs.

#### **II. Applicable Laws and Regulations**

HHSA has established standards for rehabilitation work to bring substandard housing into compliance with the following statutory and regulatory requirements:

- HOME Program Regulations (24 CFR §92);
- HUD Lead-Based Paint Regulations (24 CFR §35);
- Federal Housing Code: Housing Quality Standards;
- Federal Fair Housing Act;
- Section 504 of the Rehabilitation Act of 1973 (applicable to certain HOME projects); and
- Federal Labor Standards Regulatory Requirements (Davis-Bacon Related Acts).

In addition, every unit rehabilitated under the programs must meet one of the following standards:

- Local Housing Codes: Any applicable local housing codes; or
- Uniform Building Code, National Building Code, or the Standard Building Code; or
- The Council of American Building Officials (CABO) one or two family code; or
- The Minimum Property Standards (MPS) in 24 CFR §200.925 or §200.926.

The scope of rehabilitation, at a minimum, must incorporate these Rehabilitation Standards to address the physical deficiencies of a unit, and it must result in the elimination of all serious health and safety hazards. HHSA reserves its right to request modifications to a proposed scope of rehabilitation in cases where it is determined that the Rehabilitation Standards established for the program are not being followed.

#### **III. SITE IMPROVEMENTS**

##### **Paving and Walkways**

**Repair Standard:** Badly deteriorated essential paving, such as front walkways, must be rehabilitated. Non-essential deteriorated paving such as sidewalks that are unnecessary, must be removed and appropriately landscaped.

- **Asphalt Driveway Repair and Sealing:** Fill all visible cracks and potholes. If any holes need filling, use a cold patch or black top patch. The hole should be cleaned out of all loose asphalt pieces and undercut so that the patch will bond and not pop-out. Follow manufacturer's instructions, filling the hole and tamping it to compress the material. After filled and dried, seal the entire driveway with a good, durable sealant for an even, uniform appearance.
- **Asphalt Driveway (Topping Repair):** Provide and install 1½" asphalt topping over existing driveway/parking area. Include patching of holes, weak spots and broken edges, prior to application of top coat. Compact asphalt with a two ton roller or appropriate hand tools. Surface to be free from depressions and sloped to drain. Edges to be tapered and compacted. After asphalt has been installed and set, apply sealer over entire surface.
- **Concrete Driveway/Walkway Repair (Cracks):** Before repair, remove oil and grease stains if any. Break away any loose or cracked concrete. Clean loose material from the crack, and then remove loose dust and concrete particles. For cracks up to



3/8" wide, use liquid cement filler (repair kit) or ready-mixed concrete patch. For larger cracks/holes, apply thin layer of bonding adhesive and trowel latex patching compound, making it even with the surrounding surface.

**Replacement Standard:** Essential walkways and driveways shall be replaced with concrete.

- **Concrete Driveway:** Demo existing, form and pour new driveway. Concrete to be a minimum of 3 1/2". Concrete to be a minimum of 2500 PSI reinforced with #6x6x10/10 mesh placed 3" below the surface. Concrete surface sloped to drain. Control joints to be installed every 10 LFT. Edges to be finished smooth and the surface broom finished. Allow for proper curing.
- **Concrete Walkway Replacement or Installation:** Demo existing, form and pour new walkway; or install concrete walkway. Replacement or installation to take into account leveling, raking and tamping the ground for a firm smooth surface and to fill in any low areas. Form up sides of walkway, stake a minimum of 4' apart and screw stakes to boards. Pour concrete into the forms of walkway. Level (or screed) the concrete before it hardens. Float, trowel between concrete and form, create joints where needed (4' intervals) and broom finish. Allow for proper curing before removing forms.

## Grading

**Repair Standard:** Any deficiencies in proper grading adjacent to the building shall be corrected to assure surface drainage away from the foundation.

**Replacement Standard:** N/A

## Drainage

**Repair Standard:** Surface drainage must flow away from walkways or foundation of the house.

- **Installation of a French Drain:** Install a French drain to move water away from walkway and house. French drain to be 18-24" deep by 6" wide. Tamp down any loose soil. Lay down a perforated pipe (holes side down to avoid being filled with gravel). Once installed, cover the pipe with 1" or large, washed rounded gravel to within 1" of the surface. Cover with sod, rock or appropriate mulching material.

**Replacement Standard:** N/A

## Retaining Wall

**Repair Standard:** Deteriorated retaining wall that requires minimal structural corrections and does not pose a health or safety hazard should be repaired.

**Replacement Standard:** A dilapidated retaining wall that poses a health or safety hazard should be replaced, or it must be provided where necessary to protect the structure, driveway and walls and to prevent soil erosion.

- **Retaining Wall Replacement or Installation:** Construct a concrete block retaining wall using proper footing, reinforcing bar and 8x8x16 concrete block. Apply 2 coats of water proofing sealant to wall per manufacturer's recommendations. Wall to be solid grout, properly sealed with weep holes. Include concrete cap.

## Fences and Gates

**Repair Standard:** Wood fences which lean or have missing pickets, boards or panels may have missing parts replaced with suitable materials to match the existing. Sagging gates may be braced and those dragging on the ground may be re-hung.

**Replacement Standards:** Dilapidated wood fencing which poses a health and safety hazard should be replaced.

- **Wood Fence:** Provide and install new "dog eared" fence. Fence to be constructed using 4"x4" galvanized posts set in concrete every 8 lineal feet with 2"x4" top and bottom rails between posts. Provide 1/2" spacing between 6' cedar up right. All hardware to be galvanized. Provide and install 2 wood gates to replace existing at both sides of unit.

## Trees

**Repair Standard:** Trees that are too close to the structure and are undermining the structural integrity of the unit shall be safety-pruned or removed.

**Replacement Standard:** N/A

## IV. EXTERIOR SURFACES

### Exterior Steps and Decks

**Repair Standard:** Steps, stairway, and porch decks will be structurally sound, reasonably level with smooth and even surfaces.

**Replacement Standard:** All unsafe or unsound porch decks and steps will be removed and/or replaced and protected from deterioration with paint or other acceptable finish. New steps and stairways shall be constructed of preservative treated lumber in conformance with local codes, or of masonry. Porch decks shall be replaced with tongue and groove pine.

### Exterior Railings

**Repair Standard:** Handrails will be present on one side of all interior or exterior steps or stairways with more than two risers, and around porches or platforms over 30" above ground level.

**Replacement Standard:** Railings shall be wrought iron or preservative treated lumber.

## **Exterior Hardware**

**Repair Standard:** N/A

**Replacement Standard:** Every unit will have a mailbox, or a mail slot, and a minimum 3" high address numbers at the front of the unit.

## **Bricks**

**Repair Standard:** Replace all missing or damaged bricks with new bricks to match existing. Clean out all loose mortar joints and tuck points with new mortar.

**Replacement Standard:** N/A

## **Exterior Paint**

**Repair Standard:** Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of two continuous coats of paint, and no exterior painted surface will have any deteriorated paint.

- Exterior Paint on Stucco: Water blast stucco. Repair damage to stucco using suitable stucco patch. Finish pattern to blend with existing as closely as possible. Prepare and paint stucco with two coats quality grade paint, guaranteed to cover. After paint has dried, seal area from ground up to 4 feet around house with water sealer that will not stain paint.
- Exterior Paint on Trim, Fascia, Eaves and Wood Members: Repair or replace damaged trim, fascia, eaves, wood members, etc. See termite report for recommended or required repairs. All wood to be primed. Prepare all exterior wood, including exterior doors, for painting, using industry approved standards. Paint using two quality coats guaranteed to cover exterior paint. Owner to select color(s).

**Replacement Standard:** Wood siding materials and trim which are broken, split or damaged so as to permit the entrance of weather or which show signs of decay or insect infestation shall be replaced to match existing.

- Fascia: Replace or repair any damaged trim, fascia, eaves, or wood members, etc. See termite report for recommended or required repairs. All new wood to be primed. Then, paint all exterior doors and wood with good quality exterior paint guaranteed to cover. Prior to application, assure surfaces are smooth, clean, dry and ready to receive paint. Apply according to manufacturer's recommendations. Owner to select color(s).

## **Gutters, Cornices and Exterior Details**

**Repair Standard:** Repairs to gutters, downspouts, eaves, rafter ends, fascias, soffits and cornices, moldings, trim, etc., shall be made to match existing design and appropriate materials to prevent deterioration.

**Replacement Standard:** Gutters, downspouts, eaves, rafter ends, fascias, soffits and cornices, moldings, trim, etc., showing evidence of deterioration shall be replaced with new materials suitably protected with paint or stain.

## **V. FOUNDATIONS AND STRUCTURE**

### **Foundations**

**Repair Standard:** Foundations shall be sound, reasonably level and free from movement.

**Replacement Standard:** Replacement of foundations must meet building code.

### **Structural Walls**

**Repair Standard:** Structural framing and all masonry or concrete foundation walls shall be free from visible deterioration, rot or serious termite damage. All sagging floor joists or rafters shall be visually inspected, and significant structural damage and its cause shall be corrected and improved to a safe and sound condition.

**Replacement Standard:** Replacement of structural walls must meet building code. All wood foundation posts, sills, girders and plates showing signs of rot, decay, infestation or structural failure shall be replaced with new suitable materials of proper design, where applicable.

## **VI. WINDOWS, DOORS AND OTHER OPENINGS**

### **Exterior Doors**

**Repair Standard:** Doors shall be solid, weather stripped, operate smoothly and include a peep site, a dead bolt and an entrance lock set.

**Replacement Standard:** All replacement doors at the front of the property will be Energy-Star rated. Dead bolt locks shall be installed on all doors.

- Front Entry Door: Provide and install solid front entry door. Replace wood trim and jamb as needed. Include new locking door knob and dead bolt lock set keyed alike. Installation to include 3 butt hinges and all necessary hardware. Paint or stain door. Owner to select color.

- Garage Door: Provide and install steel non-insulated, solid panel (no windows) roll-up garage door with electric opener system. Replace wood trim and jamb as needed. Installations to include all necessary hardware and minimum 5 (five) year warranty on all components.
- Security Screen Doors: Provide and install new security screen door with locking door knob and dead bolt lock set. Install per manufacturer's recommendation and include all necessary hardware. Any gap at bottom of screen door once installed must be closed.

## Chimneys

**Repair Standard:** Chimneys or fireplaces showing signs of deterioration must be repaired or replaced with appropriate materials.

**Replacement Standard:** N/A

## Interior Doors

**Repair Standard:** All bedrooms, baths and closets shall have well-operating doors.

**Replacement Standard:** Interior doors must be hollow core, pressed wood product with brass plated bedroom lockset.

- Door (Interior): Provide and install pre-hung hardboard hollow core interior door (minimum 1 3/8" thick). Replace wood trim and jamb as needed. Include new locking door knob. Installation to include 3 butt hinges and all necessary hardware. Paint or stain door. Owner to select color.

## Windows

**Repair Standard:** All single glazed windows shall be replaced with Energy-Star rated windows. Operable windows shall have a locking device and mechanism to remain partially open. Dilapidated lead-containing windows should be replaced.

**Replacement Standard:** All windows must be replaced with energy efficient, dual pane, retrofit vinyl, low-E, Energy-Star rated windows. The windows must have a minimum R-value of 2 (Energy-Star).

- Window Replacement: Provide and install new energy efficient, low-E, dual pane, retrofit vinyl windows with screens to replace existing windows. New windows to allow for proper egress, ventilation and natural light to code.
- Sliding Glass Door: Provide and install new sliding glass door to replace existing. Sliding glass door to match energy efficiency standards of windows. Bid to include necessary modifications and repairs to adjacent surfaces. Installation per manufacturer's recommendations and to include screen door.

## VII. ROOFING

### Roofs

**Repair Standard:** Missing and leaking shingles and flashing shall be repaired on otherwise functional roofs.

**Replacement Standard:** Dilapidated roofs and flashing shall be replaced to protect the building against leakage.

- Roof Replacement: Demo existing roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards per code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25-year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 25-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof - Built Up: Remove existing hot-mop and rock roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards. Provide and install solid cap over 4ply built up roof comparable to Johns Manville or better. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 20-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof – Cap: Remove existing hot-mop and rock roof covering down to sheathing. Inspect and replace damaged sheathing and starter boards. Provide and install solid cap over 3ply built up roof comparable to Johns Manville or better. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 15-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof – Shake: Demo existing wood shake roof down to sheathing. Inspect and replace starter boards. Apply solid sheathing to code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25 year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner's choice. Provide a 25-year manufacturer's warranty and 5-year workmanship guarantee.
- Roof (3-tab): Demo existing 3-tab roof coverings down to sheathing. Inspect and replace damaged sheathing and starter boards per code. Install new fiberglass shingles over 15# domestic felts per manufacturer's instructions. Shingles to carry 25 year manufacturer's warranty and be equal to Johns Manville, Celotex or Owens Corning. Include all metal work, reseal

flashings and paint vent pipes/covers with rust inhibitor paint – color to be owner’s choice. Provide a 25-year manufacturer’s warranty and 5-year workmanship guarantee.

## **VIII. INTERIOR STANDARDS**

### **Flooring**

**Repair Standard:** Flooring in adequate condition with minimal damage may be repaired. Bathroom and kitchen floors shall be rendered smooth and cleanable by being covered with water-resistant vinyl flooring or ceramic tile.

**Replacement Standard:** Floors in areas of the unit which show excessive wear, shrinkage, cupping or other serious damage and poses a health and safety hazard shall be replaced or covered with acceptable finish flooring materials and properly installed. Sound wood floors showing normal wear discoloration may be refinished.

- Carpet: Provide and install new carpet and pad (minimum ½”) in living areas determined by the owner. Owner to select style and color. Installation to include new baseboard to match existing. Paint baseboard if wood.
- Vinyl: Remove and replace current vinyl flooring. Repair/replace underlayment as necessary. Prepare flooring to provide a smooth surface, ready to receive new floor sheet goods. Remove existing baseboards. Furnish and professionally install new owner selected, one-piece linoleum flooring, including new baseboards, sink nails, putty, sand smooth and paint.

### **Closets**

**Repair Standard:** All bedrooms shall have closets with a door, clothes rod and shelf.

**Replacement Standard:** N/A

### **Interior Walls and Ceiling**

**Repair Standard:** All holes and cracks shall be repaired to create a continuous surface and any deteriorated paint should be properly repaired or, if applicable, stabilized using lead-safe measures.

**Replacement Standard:** Walls shall be plumb and ceiling level with a smooth finish on at least ½” gypsum.

## **IX. ELECTRIC**

**Repair Standard:** Electrical service must be adequate to safely supply power to all existing and proposed electrical devices. All entrances will be well lighted and either switched at the interior side of the door or the light will be controlled by a photoelectric cell. Where needed, motion actuated security lighting shall be installed. All switch, receptacle and junction boxes shall have appropriate cover plates. Wiring shall be free from hazard and all circuits shall be properly protected at the pane.

**Replacement Standard:** Replacement of electrical systems, distribution, wiring or services must meet code.

## **X. PLUMBING**

**Repair Standard:** All Plumbing fixtures must be appropriately supplied with water, connected to an approved drain, waste, vent and supply lines. All leaking, deteriorated or clogged piping shall be replaced or restored to a condition which will provide safe and adequate service for the plumbing fixtures or gas-fired equipment to which they are connected.

**Replacement Standard:** New piping and fittings must meet plumbing code. All water lines shall be replaced with new copper pipe.

## **XI. ENERGY CONSERVATION MEASURES**

Rehabilitation loans must be used to reduce energy consumption through the installation of:

- Energy efficient windows;
- Attic, floor and wall insulation;
- Energy Star rated appliances;
- Energy efficient water heaters;
- Caulking and weather stripping of doors and windows.

## ATTACHMENT H

1378 CHG-11  
Appendix 3b  
App. 3b-1 [09/11]

GUIDEFORM GENERAL INFORMATION NOTICE  
RESIDENTIAL TENANT TO BE DISPLACED  
(Section 104(d) language included for projects with CDBG or HOME)  
Grantee or Agency Letterhead

(date)

Dear \_\_\_\_\_:

(City, County, State, Public Housing Authority (PHA), other) \_\_\_\_\_, is interested in (acquiring, rehabilitating, demolishing) \_\_\_\_\_ the property you currently occupy at (address) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the \_\_\_\_\_ program(s).

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of acquisition, rehabilitation or demolition for the project.

This is not a notice to vacate the premises.

This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you will be given: 1) Reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help you successfully relocate to another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You cannot be required to move permanently unless at least one comparable replacement dwelling has been made available to you. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance to Tenants Displaced from Their Homes" provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child. All persons seeking URA relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

In projects that use Community Development Block Grant funds (CDBG) or HOME Investment Partnership Program (HOME) funds, you might be eligible to select relocation assistance and payments under section 104(d) of the Housing and Community Development Act of 1974 as an alternative to that available under the URA. We have included another brochure titled, "Relocation Assistance to Persons Displaced from Their Homes (Section 104(d))" that provides an explanation of the section 104(d) assistance.

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility, you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans. In order to help you fully participate in the relocation process, reasonable accommodations will be made for persons with disabilities and language assistance will be made available for persons with limited English proficiency. Please let our representative know if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact (name) \_\_\_\_\_, (title) \_\_\_\_\_, (address) \_\_\_\_\_, (phone) \_\_\_\_\_.

Sincerely,

(name and title) \_\_\_\_\_

1. The case file must indicate the manner in which this notice was delivered (e.g., personally served or certified mail, return receipt requested) and the date of delivery. (See Paragraph 2-3 J of Handbook 1378.)

2. This is a guideform. It should be revised to reflect the circumstances.

3. Optional paragraphs for displaced residents of public housing projects (may be modified based on the PHA's resident return policy):  
"Even though you will be provided all of the assistance the URA requires for a permanent move, the Authority believes that every

resident displaced from the site should have the right to reapply for occupancy once this project is complete. For this reason, after

project completion, every resident who receives assistance as a “displaced person” will be contacted and offered an opportunity to reapply for occupancy in the newly-revitalized community. Furthermore, because you will be a former occupant who was “displaced” from the site, you will also receive apriority preference to return.

In the event the number of those who request to return and qualify for housing exceeds the number of units available, rating and ranking criteria will be used to identify those who will be offered a unit at the site until all available units are filled. If you do return, the Authority may help defray the costs of the return move. If you have Replacement Housing Payments not yet spent or obligated, you may be asked to forfeit these payments as a condition for returning to public housing, since this assistance will no longer be necessary to meet your housing needs. Such assistance, if not forfeited, must be considered as income and may affect your eligibility and rent.”

4. Title VI of the Civil Rights Act of 1964 requires agencies to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency. HUD guidance is available at 72 FR 2732 to assist agencies in complying with this requirement. While the text provided regarding language assistance is not required and is provided for illustrative purposes only, providing appropriate translation and counseling for persons who are unable to read and understand required notices is mandatory. See 49 CFR 24.5.

## ***ATTACHMENT H-3***

GUIDEFORM  
- **VOLUNTARY ACQUISITION** –  
- Informational Notice -  
(Agencies without Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear \_\_\_\_\_:

(Name of Agency/Person) \_\_\_\_\_, is interested in acquiring property you own at (address) \_\_\_\_\_ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (Name of Agency/Person) \_\_\_\_\_ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you (\$) \_\_\_\_\_ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact (name) \_\_\_\_\_, (title) \_\_\_\_\_, (address) \_\_\_\_\_, (phone) \_\_\_\_\_.

Sincerely,

(name and title) \_\_\_\_\_

### NOTES

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery.
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A - 24.2(a)(15)(iv).
3. This is a guide form. It should be revised to reflect the circumstances.



## ATTACHMENT H-4

HUD Handbook 1378, Change 5  
Appendix 29, [11/2014]

### MOVE-IN NOTICE (GUIDEFORM NOTICE TO PROSPECTIVE TENANT) Grantee or Agency Letterhead

(date)

Dear:

On (date), (property owner) submitted an application to the (Grantee) for financial assistance under a program funded by the Department of Housing and Urban Development (HUD). The proposed project involves [acquisition] [rehabilitation] [demolition] and/or [conversion] of the property located at (address). Because federal funds are planned for use in this project, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) [and/or section 104(d) of the Housing and Community Development Act of 1974, as amended] may apply to persons in occupancy at the time the application was submitted for HUD funding. However, if you choose to occupy this property subsequent to the application for federal financial assistance, as a new tenant you will not be eligible for relocation payments or assistance under the URA [and/or section 104(d)].

This notice is to inform you of the following information **before you enter into any lease agreement and/or occupy the property located at the above address:**

- ◆ You may be displaced by the project.
- ◆ You may be required to relocate temporarily.
- ◆ You may be subject to a rent increase.
- ◆ You will not be entitled to any relocation payments or assistance provided under the URA [and/or section 104(d)]. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses you incur in connection with a move as a result of the project.

Please read this notification carefully prior to signing a rental agreement and moving into the project. If you should have any questions about this notice, please contact (Grantee) at (address and telephone number). Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

(name and title)

\*\*\*\*\*

I have read the above information and understand the conditions under which I am moving into this project.

Print Name of Tenant(s)

Signature(s)

Address and Unit Number

Date

NOTE:

This is a guide form. It should be revised to reflect the project circumstances.

# ATTACHMENT I

## TENANT CHARACTERISTICS FORM

PROJECT NAME: \_\_\_\_\_ BORROWER/DEVELOPER: \_\_\_\_\_ FUNDS (Please check): \_\_\_\_\_ HOME \_\_\_\_\_ Other \_\_\_\_\_

**PART A: To be completed by the applicant. +See reverse side for codes to use when completing this form.**

Unit #	Tenant Name	Number of Bedrooms	Number of Occupants	Household Annual Income	Income Level ****	Income Source *****	Receive Sect 8? ***	Current Monthly Rent	Post- Rehab Rent	Ethnic Code *	Sex of Head of Household	Age of Head of Household	Handicap ped **	Occupants: Relationship by Sex & Age

(Please fill out additional sheets if necessary)

**(1) ETHNIC CODES (\*)**

Race-Head of Household

11-White

12-Black/African American

13-Asian

14- American Indian/Alaska native

15- Native Hawaiian/Other Pacific Islander

16- American Indian/Alaska Native and White

17-Asian and White

18- Black/African American and White

19- American Indian/Alaska Nativeand Black/African American

20-Other Multi Racial

**(2) HANDICAPPED CODES (\*\*)**

"H" = Hearing Impaired      "V" = Visually Impaired      "M" = Mobility Impaired

**(3) SECTION 8 ASSISTANCE (\*\*\*)**

If yes, please identify type: "C" = Certificate      "V" = Voucher

**(4) INCOME LEVELS (\*\*\*\*) (Area Median Income (AMI)) Limits Effective April 14, 2017**

CODE	Family Size:	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
"1"	Extremely Low (<30% AMI)	\$19,100	\$21,800	\$24,550	\$27,250	\$29,450	\$32,960	\$37,140	\$41,320
"2"	Very Low (50% AMI)	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000
"3"	Low-Income (80% AMI)	\$50,950	\$58,200	\$65,500	\$72,750	\$78,600	\$84,400	\$90,250	\$96,050

**(5) INCOME SOURCE (\*\*\*\*\*)**

Codes:	"1" = Earned Income (Head of Household)	"5" = Social Security
	"2" = Earned Income (Joint)	"6" = Retirement Income (Other Pensions/Annuities)
	"3" = Investment Income (Interest/Dividends)	"7" = Redistributed Income (Unemployment, Welfare, Disability, SSI)
	"4" = Earned Investment (Rental Income)	

**ATTACHMENT J**  
**PROJECT TIMELINE**

Project Title: \_\_\_\_\_ Applicant: \_\_\_\_\_

<b><u>Item</u></b>	<b><u>Projected Date of Completion</u></b>
<b>SITE</b>	
Environmental Review Completed	_____
Site Acquired	_____
<b>LOCAL PERMITS</b>	
Conditional Use Permit	_____
Variance	_____
Site Plan Review	_____
Grading Permit	_____
Building Permit	_____
<b>CONSTRUCTION FINANCING</b>	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
<b>PERMANENT FINANCING</b>	
Loan Application	_____
Enforceable Commitment	_____
Closing and Disbursement	_____
<b>OTHER LOANS AND GRANTS</b>	
Type and Source:	_____
Application	_____
Closing or Award	_____
Funds Available	_____
<b>OTHER LOANS AND GRANTS</b>	
Type and Source	_____
Application	_____
Closing or Award	_____
Funds Available	_____
Construction Start	_____
Construction Completion	_____
Placed in Service	_____
Occupancy of all Assisted Units	_____

**ATTACHMENT K**  
**CRIME FREE LEASE ADDENDUM**

In consideration of the execution or renewal of a lease of the dwelling unit identified in the lease, Owner and Resident agree as follows:

1. Resident, any members of the resident's household or a guest or other person under the resident's control shall not engage in criminal activity, including drug-related criminal activity, on or near the said premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 of the Controlled Substance Act [21 U.S.C. 802]).
2. Resident, any member of the resident's household or a guest or other person under the resident's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the said premises.
3. Resident or members of the household will not permit the dwelling unit to be used for, or to facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household, or a guest.
4. Resident, any member of the resident's household or a guest, or another person under the resident's control shall not engage in the unlawful manufacturing, selling, using, storing, keeping, or giving of a controlled substance as defined in Health & Safety Code §11350, et seq., at any locations, whether on or near the dwelling unit premises or otherwise.
5. Resident, any member of the resident's household, or a guest or another person under the resident's control shall not engage in any illegal activity, including: prostitution as defined in Penal Code §647(b); criminal street gang activity, as defined in Penal Code §186.20 et seq.; criminal threats, as prohibited in Penal Code §422 PC; assault and battery, as prohibited in Penal Code §240; burglary, as prohibited in Penal Code §459; the unlawful use and discharge of firearms, as prohibited in Penal Code §245; sexual offenses, as prohibited in Penal Code §269 and 288, or any breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, his agent or other tenant or involving imminent or actual serious property damage.
6. **VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE LEASE AND GOOD CAUSE FOR IMMEDIATE TERMINATION OF TENANCY.** A single violation of any of the provisions of this added addendum shall be deemed a serious violation and a material and irreparable non-compliance. It is understood that a single violation shall be good cause for termination of the lease. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.
7. In case of conflict between the provisions of this addendum and any other provisions of the lease, the provisions of the addendum shall govern.
8. This LEASE ADDENDUM is incorporated into the lease executed or renewed this day between Owner and Resident.

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Resident Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Property Manager's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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

## **ATTACHMENT L**

### ***BORROWER'S INSURANCE REQUIREMENTS***

Without limiting Borrower's indemnification obligations to County under this Regulatory Agreement, Borrower shall provide and maintain for the duration of this Regulatory Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Borrower's operation and use of the Property. The cost of such insurance shall be borne by the Borrower.

#### **1. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office Form CG0001.
- B. Automobile Liability covering all owned, non-owned and hired auto, Insurance Services Office form CA0001.
- C. Workers Compensation, as required by State of California and Employer's Liability Insurance.
- D. Property Insurance against all risk or special form perils for both Builders Risk and completed operational property. Builders Risk coverage shall be provided on the work and materials whether in process or manufacture or finished, including "in transit" coverage, and including loading and unloading operations, without deduction for depreciation, including costs of demolition and debris removal. Property coverage shall be in force for the entire term of the Agreement. Such policy or policies of insurance shall include coverage for Borrower's fixtures and any items identified in this Regulatory Agreement as improvements to the Property.

Rental Income Insurance assuring County of receiving the minimum monthly rent from the time the Premises are damaged or destroyed with a minimum period of coverage for one (1) year.

#### **2. Minimum Limits of Insurance**

Borrower shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability and Independent Contractors: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$2,000,000 and shall be a Per Location Aggregate. Fire Damage Limit (Any One Fire) \$300,000 and Medical Expense Limit (Any One Person) \$5,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage. Coverage will include contractual liability.
- C. Employers Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.
- D. Property: Full replacement cost with no coinsurance penalty provision.

If the Borrower maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available.

### **3. Deductibles and Self-Insured Retention**

Any liability deductible or self-insured retention must be declared to and approved by County Risk Management. The property insurance deductible shall not exceed \$5,000 per occurrence and shall be borne by Borrower.

### **4. Other Insurance Provisions**

The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:

#### **A. Additional Insured Endorsement**

Any general liability policy provided by Borrower shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

#### **B. Primary Insurance Endorsement**

For any claims related to this Regulatory Agreement, the Borrower's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, the members of the Board of Supervisors of the County, its officers, officials, employees, or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.

#### **C. Notice of Cancellation**

Notice of Cancellation shall be provided in accordance with policy provisions.

#### **D. Loss Payee Clause**

County of San Diego, Housing & Community Development Services, shall be named as Loss Payee on the property coverage. The Loss payee clause should read:

County of San Diego, Housing & Community Development Services,  
3989 Ruffin Road, San Diego, CA 92123

### **General Provisions**

#### **5. Qualifying Insurers**

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

#### **6. Evidence of Insurance**

Prior to commencement of this Regulatory Agreement, but in no event later than the effective date of the Regulatory Agreement, Borrower shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Renewal certificates and amendatory endorsements shall be furnished to County within thirty days of the expiration of the term of any required policy. Borrower shall permit County at all reasonable times to inspect any required policies of insurance.

#### **7. Failure to Obtain or Maintain Insurance; County's Remedies**

Borrower's failure to provide insurance specified or failure to furnish certificates of insurance, amendatory endorsements, or failure to make premium payments required by such insurance, shall constitute a material breach of the Regulatory Agreement, and County may, at its option, terminate the Regulatory Agreement for any such default by Borrower.



**8. No Limitations of Obligations**

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by the Borrower, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Borrower pursuant to the Regulatory Agreement, including, but not limited to, the provisions concerning indemnification.

**9. Review of Coverage**

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Borrower to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

**10. Self-Insurance**

Borrower may, with the prior written consent of County Risk Management, fulfill some or all of the insurance requirements contained in this Regulatory Agreement under a plan of self-insurance. Borrower shall only be permitted to utilize such self-insurance if in the opinion of County Risk Management, Borrower's (i) net worth, and (ii) reserves for payment of claims of liability against Borrower, are sufficient to adequately compensate for the lack of other insurance coverage required by this Regulatory Agreement. Borrower's utilization of self-insurance shall not in any way limit liabilities assumed by Borrower under this Regulatory Agreement.

**11. Waiver of Subrogation**

Borrower and County waive all rights to recover against each other or against any other tenant or occupant of the building, or against the officers, directors, shareholders, partners, employees, agents or invitees of each other or of any other occupant or tenant of the building, from any Claims (as defined in the Article entitled "Indemnity") against either of them and from any damages to the fixtures, personal property, Borrower's improvements, and alterations of either County or Borrower in or on the Premises and the Property, to the extent that the proceeds received from any insurance carried by either County or Borrower, other than proceeds from any program of self-insurance, covers any such Claim or damage. Included in any policy or policies of insurance provided by Borrower shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

**12. Contract Bonds**

Prior to execution of the Contract, Contractor shall file with the County on the approved forms, the two surety bonds in the amounts and for the purposes noted below, duly executed by a reputable surety company satisfactory to County, and Contractor shall pay all premiums and costs thereof and incidental thereto, as security for payment of persons named in California Civil Code Section 3181 or amounts due under Unemployment Insurance Code with respect to Work or Labor performed by any such claimant. All alterations, time extensions, extra and additional work, and other changes authorized by the Specifications, or any part of the Contract, may be made without securing consent of the surety or sureties on the contract bonds. Each bond shall be signed by both Contractor and the sureties.

- A. The Payment Bond for public works shall be in an amount of one hundred percent (100%) of the Contract price, as determined from the prices in the bid form, and shall insure to the benefit of persons performing labor or furnishing materials in connection with the work of the proposed Contract. This bond shall be maintained in full force and effect until all work under the Contract is completed and accepted by the County, and until all claims for materials and labor have been paid.
- B. The Performance Bond shall be in an amount of one percent (100%) of the Contract price as determined from the prices in the bid form, and shall insure the faithful performance by the Contractor of all work under the Contract. It shall also insure the replacing of, or making acceptable, any defective materials or faulty workmanship.
- C. Qualification of Sureties. Should any surety or sureties be deemed unsatisfactory at any time by the County, notice will be given Contractor to that effect, and Contractor shall substitute a new surety or sureties satisfactory to the County. No further payment shall be deemed due or will be made under the contract until the sureties qualify and are accepted by the County.

**ATTACHMENT M**  
**CONSTRUCTION CONTRACTOR**

**INSURANCE REQUIREMENTS FOR CONSTRUCTION CONTRACTORS**

Without limiting Construction Contractor's indemnification obligations to County, Contractor shall provide at its sole expense and maintain for the duration of the contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Contractor, his agents, representatives, employees or subcontractors.

**1. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- A. Commercial General Liability, including Premises, Operations, Products and Completed Operations, Contractual Liability, Independent Contractors Liability, Broad Form Property Damage, and Explosion, Collapse and Underground Damage (XCU). Occurrence form, Insurance Services Office form CG0001
- B. Automobile Liability covering all owned, non-owned, hired auto Insurance Services Office form CA0001. Policy shall contain a Pollution Coverage Endorsement (MCS-90) or Pollution Liability-Broadened Coverage for Covered Autos-Business Auto, Motor Carrier and Truckers Coverage Forms, Form # CA9948 0306.
- C. Workers' Compensation, as required by State of California and Employer's Liability Insurance.
- D. Professional Liability (Errors & Omissions) appropriate to the Contractor's profession and the type of work to be undertaken.
- E. Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions required if project involves environmental hazards.
- F. Builder's Risk covering all new construction and materials which are the subject of this Contract.

**2. Minimum Limits of Insurance**

Contractor shall maintain limits no less than:

- A. Commercial General Liability: \$5,000,000 per occurrence for bodily injury and property damage. Products and Completed Operations with limits of not less than \$5,000,000 per occurrence to be maintained for three years following Acceptance of work by the County. The General Aggregate limit shall be \$10,000,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
- C. Employer's Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of County of San Diego.
- D. Professional Liability (Errors & Omissions): \$5,000,000 per occurrence or claim with an aggregate limit of not less than \$5,000,000. This coverage shall be maintained for a minimum of three years following termination or completion of Contractor's work pursuant to the Contract.
- E. Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions: \$2,000,000 per claim with an aggregate limit of not less than \$4,000,000.
- F. Builder's Risk: All risk or special form perils including theft of building materials covering completed value of project with no coinsurance penalty. Coverage shall be in an amount of no less than the full replacement value of the property at the time of loss. Coverage shall be provided on the work and materials which is the subject of this Contract, whether in process or manufacture or finished, including "in transit" coverage to the final agreed-upon destination of delivery, and including loading and unloading operations, and such coverage shall be in force until the work and materials are accepted by the County.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. As a requirement of this contract, any available insurance proceeds in excess of the specified minimum limits and coverage stated above, shall also be available to the County of San Diego.

### **3. Self-Insured Retentions**

Any self-insured retention must be declared to and approved by County Risk Management. At the option of the County, either: the insurer shall reduce or eliminate such self-insured retentions as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### **4. Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### **A. Additional Insured Endorsement**

The County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively are to be covered as additional insureds on the General Liability policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. General Liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO from CG 2010 11 85 or **both** CG 2010, CG 2026, CG 2033, or CG 2038; **and** CG 2037 forms if later revisions used).

#### **B. Primary Insurance Endorsement**

For any claims related to this project, the Contractor's insurance coverage, including any excess liability policies, shall be primary insurance at least as broad as ISO CG 2001 04 13 as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, its officers, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

#### **C. Notice of Cancellation**

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County.

#### **D. Severability of Interest Clause**

Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

#### **E. Loss Payee Clause**

Builder's Risk policy shall name County as loss payee as its interests may appear. Loss, if any, shall be adjustable with and payable to the County as trustee for all entities having an insurable interest, except in such cases as may require payment of all or a proportion of such insurance to be made to a mortgagee as its interest may appear.

### **General Provisions**

### **5. Qualifying Insurers**

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

### **6. Evidence of Insurance**

Prior to commencement of this Contract, but in no event later than the effective date of the Contract, Contractor shall furnish the County with a copy of the policy declaration and endorsement pages along with the certificates of insurance and amendatory endorsements effecting coverage required by this clause. Policy declaration and endorsement pages shall be included with renewal certificates and amendatory endorsements submissions and shall be furnished to County within thirty days of the expiration of the term of any required policy. Contractor shall permit County at all reasonable times to inspect any required policies of insurance.

## **7. Failure to Obtain or Maintain Insurance; County's Remedies**

Contractor's failure to provide insurance specified or failure to furnish certificates of insurance and amendatory endorsements or failure to make premium payments required by such insurance shall constitute a material breach of the Contract, and County may, at its option, terminate the Contract for any such default by Contractor.

## **8. No Limitation of Obligations**

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to the Contract, including, but not limited to, the provisions concerning indemnification.

## **9. Review of Coverage**

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Contractor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

## **10. Self-Insurance**

Contractor may, with the prior written consent of County Risk Management, fulfill some or all of the insurance requirements contained in this Contract under a plan of self-insurance. Contractor shall only be permitted to utilize such self-insurance if in the opinion of County Risk Management, Contractor's (i) net worth, and (ii) reserves for payment of claims of liability against Contractor, are sufficient to adequately compensate for the lack of other insurance coverage required by this Contract. Contractor's utilization of self-insurance shall not in any way limit liabilities assumed by Contractor under the Contract.

## **11. Claims Made Coverage**

If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- A. The policy retroactive date coincides with or precedes Contractor's commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).
- B. Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract.
- C. If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least three years to report claims arising in connection with the Contract.
- D. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

## **12. Subcontractors' Insurance**

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors. Such Additional Insured endorsement shall be attached to the certificate of insurance in order to be valid and on a form at least as broad as ISO from CG 2010 11 85 or both CG 2010, CG 2026, CG 2033, or CG 2038; and CG 2037 forms if later revisions used. If any sub contractor's coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the County from any damage, loss, cost, or expense, including attorneys' fees, incurred by County as a result of subcontractor's failure to maintain required coverage.

## **13. Waiver of Subrogation**

Contractor hereby grants to County a waiver of their rights of subrogation which any insurer of Contractor may acquire against County by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the County for all work performed by the Contractor, its employees, agents and subcontractors.

## **SURETY BONDS**

#### 14. Contract Bonds

Prior to execution of the Contract, Contractor shall file with the County on the approved forms, the two surety bonds in the amounts and for the purposes noted below, duly executed by a reputable surety company satisfactory to County, and Contractor shall pay all premiums and costs thereof and incidental thereto, as security for payment of persons named in California Civil Code Section 3181 or amounts due under Unemployment Insurance Code with respect to Work or Labor performed by any such claimant. All alterations, time extensions, extra and additional work, and other changes authorized by the Specifications, or any part of the Contract, may be made without securing consent of the surety or sureties on the contract bonds. Each bond shall be signed by both Contractor and the sureties.

- A. The **Payment Bond** for public works shall be in an amount of one hundred percent (100%) of the Contract price, as determined from the prices in the bid form, and shall insure to the benefit of persons performing labor or furnishing materials in connection with the work of the proposed Contract. This bond shall be maintained in full force and effect until all work under the Contract is completed and accepted by the County, and until all claims for materials and labor have been paid.
- B. The **Performance Bond** shall be in an amount of one hundred percent (100%) of the Contract price as determined from the prices in the bid form, and shall insure the faithful performance by the Contractor of all work under the Contract. It shall also insure the replacing of, or making acceptable, any defective materials or faulty workmanship.
- C. Qualification of Sureties. Should any surety or sureties be deemed unsatisfactory at any time by the County, notice will be given Contractor to that effect, and Contractor shall substitute a new surety or sureties satisfactory to the County. No further payment shall be deemed due or will be made under the contract until the sureties qualify and are accepted by the County.

## ATTACHMENT N

### PROPERTY MANAGER (CONTRACTOR) INSURANCE REQUIREMENTS

Without limiting Contractor's indemnification obligations to County, Contractor shall provide at its sole expense and maintain for the duration of this contract, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of the work by the Contractor, his agents, representatives, employees or subcontractors.

#### 1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Commercial General Liability, Occurrence form, Insurance Services Office form CG0001.
- B. Automobile Liability covering all owned, non-owned, hired auto Insurance Services Office form CA0001.
- C. Workers' Compensation, as required by State of California and Employer's Liability Insurance.
- D. Professional Liability (Errors & Omissions) insurance appropriate to the Contractor's Profession, including, but not limited to medical administration, counseling and legal services.
- E. Improper Sexual Conduct including sexual harassment, sexual abuse and sexual misconduct applying to bodily injury, property damage or personal injury arising out of the actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of the insured or as a result of the negligent employment, investigation, hiring & supervision or the reporting or failure to report to proper authorities of a person for whom any insured is or ever was legally responsible.
- F. Cyber/Information Security Liability shall cover all of Contractor's employees, officials and agents. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall apply to any dishonest, fraudulent, malicious or criminal activities that affect, alter, copy, corrupt, delete, disrupt or destroy a computer system or to obtain financial benefit for any party; to steal, take or provide unauthorized access of either electronic or non-electronic data, including publicizing confidential electronic or non-electronic data; causing electronic or non-electronic confidential electronic data to be accessible to unauthorized persons; transfer of computer virus, Trojan horse, worms or any other type of malicious or damaging code; and for Third-Party Liability encompassing judgments or settlement and defense costs arising out of litigation due to a data breach and data breach response costs for customer notification and credit monitoring service fees.

#### 2. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- A. Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability, and Independent Contractors Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. The General Aggregate limit shall be \$4,000,000.
- B. Automobile Liability: \$1,000,000 each accident for bodily injury and property damage.
- C. Employer's Liability: \$1,000,000 each accident for bodily injury or disease. Coverage shall include waiver of subrogation endorsement in favor of County of San Diego.
- D. Professional Liability (Errors & Omissions): \$2,000,000 per claim with an aggregate limit of not less than \$4,000,000. This coverage shall be maintained for a minimum of three years following termination or completion of Contractor's work pursuant to the Contract.
- E. Improper Sexual Conduct: \$1,000,000 per claim with an aggregate limit of not less than \$2,000,000.
- F. Cyber Security Liability. \$2,000,000 per claim with an aggregate limit of not less than \$2,000,000.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. As a requirement of this contract,

any available insurance proceeds in excess of the specified minimum limits and coverage stated above, shall also be available to the County of San Diego.

### **3. Self-Insured Retentions**

Any self-insured retention must be declared to and approved by County Risk Management. At the option of the County, either: the insurer shall reduce or eliminate such self-insured retentions as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

### **4. Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### **A. Additional Insured Endorsement**

The County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively are to be covered as additional insureds on the General Liability policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. General Liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO from CG 2010 11 85 or **both** CG 2010, CG 2026, CG 2033, or CG 2038; **and** CG 2037 forms if later revisions used).

#### **B. Primary Insurance Endorsement**

For any claims related to this Contract, Contractor's insurance coverage, including any excess liability policies, shall be primary insurance at least as broad as ISO CG 20 01 04 13 as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, its officers, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

#### **C. Notice of Cancellation**

Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County.

#### **D. Severability of Interest Clause**

Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

## **General Provisions**

### **5. Qualifying Insurers**

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County Risk Management.

### **6. Evidence of Insurance**

Prior to commencement of this Contract, but in no event later than the effective date of the Contract, Contractor shall furnish the County with a copy of the policy declaration and endorsement pages along with the certificates of insurance and amendatory endorsements effecting coverage required by this clause. Policy declaration and endorsement pages shall be included with renewal certificates and amendatory endorsements submissions and shall be furnished to County within thirty days of the expiration of the term of any required policy. Contractor shall permit County at all reasonable times to inspect any required policies of insurance.

### **7. Failure to Obtain or Maintain Insurance; County's Remedies**

Contractor's failure to provide insurance specified or failure to furnish certificates of insurance and amendatory endorsements or failure to make premium payments required by such insurance shall constitute a material breach of the Contract, and County may, at its option, terminate the Contract for any such default by Contractor.

## **8. No Limitation of Obligations**

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to the Contract, including, but not limited to, the provisions concerning indemnification.

## **9. Review of Coverage**

County retains the right at any time to review the coverage, form and amount of insurance required herein and may require Contractor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

## **10. Self-Insurance**

Contractor may, with the prior written consent of County Risk Management, fulfill some or all of the insurance requirements contained in this Contract under a plan of self-insurance. Contractor shall only be permitted to utilize such self-insurance if in the opinion of County Risk Management, Contractor's (i) net worth, and (ii) reserves for payment of claims of liability against Contractor, are sufficient to adequately compensate for the lack of other insurance coverage required by this Contract. Contractor's utilization of self-insurance shall not in any way limit liabilities assumed by Contractor under the Contract.

## **11. Claims Made Coverage**

If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

- E. The policy retroactive date coincides with or precedes Contractor's commencement of work under the Contract (including subsequent policies purchased as renewals or replacements).
- F. Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Contract.
- G. If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least three years to report claims arising in connection with the Contract.
- H. The policy allows for reporting of circumstances or incidents that might give rise to future claims.

## **12. Subcontractors' Insurance**

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors. Such Additional Insured endorsement shall be attached to the certificate of insurance in order to be valid and on a form at least as broad as ISO from CG 2010 11 85 or both CG 2010, CG 2026, CG 2033, or CG 2038; and CG 2037 forms if later revisions used. If any sub contractor's coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the County from any damage, loss, cost, or expense, including attorneys' fees, incurred by County as a result of subcontractor's failure to maintain required coverage.

## **13. Waiver of Subrogation**

Contractor hereby grants to County a waiver of their rights of subrogation which any insurer of Contractor may acquire against County by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the County for all work performed by the Contractor, its employees, agents and subcontractors.