

**CITY OF PALMDALE
COMMUNITY REDEVELOPMENT AGENCY**

**MOBILE HOME REHABILITATION LOAN
PROGRAM OVERVIEW**

I. INTRODUCTION

The Mobile Home Rehabilitation Loan Program will provide assistance to extremely low and lower income mobile home owners.

This Program will allow the Community Redevelopment Agency, (Agency) to invest in the direct improvement/betterment of the city's mobile home park communities by upgrading and maintaining the housing quality of existing mobile home units.

II. CONFLICT OF INTEREST STATEMENT

No member of the governing body of the locality, official, employee, or agent of the locality, who exercises decision-making functions or responsibilities in connection with the planning and/or implementation of this program shall directly or indirectly benefit from the program. This condition shall continue for one year after the individual's relationship with the locality has ended.

III. AMENDMENT PROCEDURES

All procedures set forth in this program guideline may be amended by the Executive Director if the proposed changes do not change the overall financial scope of policies of the Mobile Home Rehabilitation Loan Program.

IV. PROGRAM OVERVIEW

The Agency's Mobile Home Rehabilitation Loan Program is offered to extremely low and lower income mobile home owners who want to improve or rehabilitate their homes. The Agency will provide funding through the Mobile Home Rehabilitation Loan Program, up to \$10,000 for eligible improvements. This program is designed to serve the following purposes:

- A. To maintain or preserve those structures which are, generally, in good condition.
- B. Provide interim rehabilitation assistance for the elimination of conditions which are detrimental to health, safety and public welfare.
- C. Add life to the City's existing mobile home housing stock, thereby, postponing deterioration and blight.

V. ELIGIBILITY CRITERIA

1. Applicant must be an extremely low up to lower income homeowner. For purposes of this Program, extremely low up to lower income is defined as households whose income **does not** exceed 80% of area median income (or Lower income) adjusted for family size. (See appendix A). Income eligibility is based on the income limits set by the State Department of Housing and Community Development (HCD) based on percentages of the median income (by family size) for the Los Angeles County Metropolitan Area. The income limits in effect upon the date of completed application submittal shall be used. Income or payments received by the family head (even if temporarily absent), and any other person over 18 years of age who produces income and resides at the subject property **will be** included in determining the overall annual family income. Income verification received by all household members must be provided and included with the application.
2. Only owner-occupied manufactured housing structures, "mobile homes", may be improved. The applicant must be able to submit documentation verifying they are the owner of record such as the Registration Card and/or Certificate of Title from the State of California, Department of Housing and Community Development.
3. Participating homeowners must have resided in and own the property for at least one year.
4. The property must be located within the incorporated boundaries of the City of Palmdale.
5. Applicant must not have more than one (1) recorded lien against the mobile home. The City of Palmdale, Community Redevelopment Agency must come in no less than a second position as lienholder.
6. Eligibility of proposed improvements will be determined during a survey inspection conducted by Housing staff.
7. A homeowner who has previously participated in any City funded rehabilitation grant program is not eligible.

VI. MOBILE HOME REHABILITATION LOAN PROGRAM TERMS

1. Maximum amount of funds available is \$10,000 for owner-occupied, extremely low up to lower income households.
2. Relocation or Termination of Tenancy - The Agency loan shall become due and immediately payable if the mobile home is removed from the City of Palmdale city limits. The mobile home park management will have on record for all participating applicants a notification documenting that should the mobile home become subject to removal from the mobile home park in which it resides at the time of Agency loan origination, that due to non-payment of

rent, possible eviction or any matter that would jeopardize residency the City of Palmdale, Redevelopment Agency shall be notified immediately.

3. The loan is to be used to remove health & safety hazards, correct code violations, and complete interior and exterior aesthetic improvements, in that priority.
4. If the Owner sells the property within 4 years after the improvements are completed, the Owner will not have to repay the loan funds if the property is sold to a person or family with a household income of less than 80% of the area median income adjusted for family size. If, within the first 4 years after the improvements are completed, the Owner ceases to use the property as Owner's permanent residence or sells the property to a person or family that does not meet the income and program criteria, the Owner will have to repay to the Agency the entire amount of the loan.
5. Prior to the expiration of the 4 year loan term, the Agency loan shall become due and immediately payable upon the sale or transfer of the Property, including, without limitation, exchange or other disposition of the property or any interest therein, except a sale or transfer where the new owner would qualify to assume the affordability covenants.
6. No repayment is required, subject to Section VI (4).

VII. DETERMINATION OF ELIGIBILITY

1. When a homeowner makes inquiry about the program, staff determines the following information and completes the inquiry log:
 - a. Applicant is the Registered Owner.
 - b. Mobile Home is owner occupied.
 - c. Applicant's home address.
 - d. Applicant and overall household income.
 - e. Household size.
 - f. Types of home improvements desired. (See appendix B)
2. If Applicant appears eligible, staff proceeds to Application Process.

VIII. APPLICATION PROCESS

1. Staff will provide appropriate application to applicant.
2. Applicant returns completed application to Housing staff which must include all verifications such as proof of ownership and income. The income and liquid assets of all persons over 18 years of age living at the subject property will be calculated in determining the overall household income. If there are any persons living at the property who do not contribute to the household income, they will be required to provide notarized documentation stating he/she does not contribute income. All persons listed on the H.C.D. Registration as "owner" are required to sign all program documents, unless power of attorney is given to one person.

3. Upon staff receipt of program application, a folder is created for each participant. Daily information during the application and construction phases will be included in the folder.
4. Staff reviews and verifies application data and income eligibility. If applicant qualifies, they will be notified by Housing staff. If an application is missing required documentation, it will not be accepted and the application **will be returned** to the applicant noting the reasons for return.
5. If the Applicant is not eligible for the program, the applicant shall be notified and a file maintained for documentation.

IX. PROPERTY INSPECTION

1. Once approved, staff shall notify applicant of eligibility. Staff shall make an appointment with the Applicant/Owner to conduct a survey inspection of the property.
2. The Housing Coordinator, accompanied by Owner, makes a thorough survey of the property and identifies and makes note of any hazardous as well as other code violation issues, and any other general property improvements which the Owner might wish to have made. (See Appendix B)
3. In preparing plans for a project to be financed through this program, the eligible Improvements guidelines as noted in Appendix B must be adhered to by staff.

X. CONSTRUCTION BIDS

1. After the Housing Coordinator completes the work specifications, contractors will be solicited to bid from the Housing Division's eligible list of general contractors. Only B-licensed or Manufactured Housing (C-47) contractors who have qualified by filing a Contractor's Application with the Housing Division will be invited to bid. Contractors shall maintain for the duration of the work the following insurance:
 - Workmen's Compensation Insurance, providing coverage as required by the California State Workmen's Law. \$1,000,000 by Statute.
 - Comprehensive General Liability coverage in the minimum amount of \$1,000,000 per occurrence - Best rating B+ or better.
 - Automobile Liability coverage in the minimum amount of \$1,000,000 per occurrence - Best rating B+ or better.

Endorsements or other evidence of insurance satisfactory to the Agency shall be on file with the Housing Division and all policies shall contain a provision requiring the carrier to give the Agency at least 30 days notice prior to cancellation. All certificates of insurance shall name the Agency as an additional insured party. The contractor shall hold harmless and indemnify each property owner, the City, the Agency, and their respective officers, agents and employees from all claims, demands, actions, liability or loss

which may arise from or be incurred as the result of, injury or damage to the persons or property in the performance of said work, including but not limited to damage to the premises.

2. A reasonable proportion of these contractors will be minority/female consistent with their general availability in the various trades. If the Owner prefers to use a contractor not on the Housing Division's contractor list, they may do so but that contractor first must go through the application process and be approved by the Housing Division prior to any work commencing. Additions to the Housing Division's eligible list of contractors are made periodically.
3. Bidders shall carefully examine the Specifications and the construction site and become fully familiar with them prior to the submission of bids. Bidders are to notify the Housing Coordinator of any errors, omissions, or discrepancies in the Specifications promptly as they are discovered. No extra payments will be given for conditions which are evident upon examination of the construction site, specifications, and/or drawings.

Bids that are submitted shall be signed by an authorized agent of the Firm and sealed in an envelope. The completed Bid should be accompanied by a list of Subcontractors if applicable. Any change in subcontractors from that on the list must be approved by the Housing Coordinator as provided for in the Owner/Contractor Agreement.

Bids will be accepted by the Housing Division of the City of Palmdale until the deadline indicated in the notice to contractors/bidders. Bids/proposals are then opened and staff reviews bids to determine if all items on the original specifications are included and if there is comparability. Any bid received after the bid due date shall be filed unopened in the appropriate file. Any bids containing erasures, changes, etc., will be subject to rejection unless these erasures, changes, etc., are initialed by the Bidder. Total cost should be reviewed to determine if the contractor is 10% above or below a reasonable total price. Individual item costs which are too high should be noted and discussed with the owner. Staff will review the bids with the homeowner, and the homeowner will choose their contractor.

The homeowner will choose the contractor of their choice from the bids submitted, or the homeowner may choose to look outside the received bids for a contractor they are more comfortable with. The contractor must fill out an application with the Housing Division and meet all contractor requirements mandated by the Agency.

4. The bid process for work may be circumvented in cases of emergencies where the health and safety of the resident may be impaired with further delay. The Housing staff will evaluate on a case by case basis.

XII. DOCUMENT EXECUTION

1. Once the proposal(s) are awarded, agreements and contracts can be prepared.
 - a. For all work conducted by a contractor, an Owner/Contractor Agreement must be signed.
 - b. City of Palmdale Community Redevelopment Agency loan documents and State of California, Dept. of Housing & Community Development title papers must be signed by all owners of record.
1. Once documents are prepared, Staff schedules an appointment with homeowner for signing above mentioned documents.

XIII. CONSTRUCTION

1. The work to be performed shall commence within seven (7) calendar days of the Starting Date referred to in the Authorization to Proceed and completed within 30 days.
2. Contractor obtains all necessary building permits from the State of California, Department of Housing and Community Development (H.C.D.). It is the contractor's responsibility to determine the permits required by H.C.D. for any and all alterations, new construction and foundation bracing.
3. Contractor is to submit all labor and material lien releases.
4. Contractor calls for inspections as necessary.
5. Any changes from the original plan or work specifications, as well as any time extensions, must be submitted to the Housing Division for approval by way of a Change Order, a form provided to Contractor by the Housing Division, which is signed by the Owner, the Contractor, and lastly submitted to the Housing Coordinator for final approval.

XIV. PAYMENT

1. The Progress Payment system is a method of disbursement whereby the Housing Division, acting in written authorization from the Owner by way of a submitted Request for Final Inspection & Completion Payment form, makes payment to the Contractor. In this system, a 90% completion payment, less a 10% retention, is made after the construction completion. At the end of 35 days from when the completion payment was disbursed, the 10% Retention Payment is made to Contractor

2. After staff receives the Request for Final Inspection & Completion Payment from Contractor, staff schedules and performs a final inspection of the property to certify that the work has been completed. The completion payment is authorized by means of a Certificate for Payment. This Certificate for Payment is signed after final inspection is performed by the Contractor, the Owner and the Housing Coordinator and then payment is released.

The Completion Payment is made contingent upon the completion of the work, receipt of satisfactory lien waivers and Contractor's Certifications, and submittal of a copy of the building permit final (if applicable) by the H.C.D. Inspector. Payment for extra work (not specified in the original contract) covered by an approved Change Order will also be made along with the completion payment followed by the 10% retention release at the end of 35 days. A completion payment may be withheld for any of the following reasons: A) the work as outlined in the specifications is not completed at the time of the request for inspection; or B) all required permits have not been acquired by the contractor.

3. The retention amount withheld by the Housing Division is paid at the end of 35 days from date of final inspection. At the time of this payment, all specification work under the contract, any Change Order work and any punch list items identified during the final inspection must be completed before this payment is disbursed to Contractor.
4. The Housing Division may decline to approve a Certificate for Payment and may withhold payment in whole or in part as may be necessary to protect the Owner from loss because of:
 - a) Defective work not remedied;
 - b) Third party claims filed or reasonable evidence indicating probable filing of such claims;
 - c) Failure of the Contractor to make payments properly to Sub-Contractors; or,
 - d) Unsatisfactory performance of the work by the Contractor.
1. The Completion Payment, Contingency Payment (Change Orders) and the Retention payment will be disbursed in the form of a check made payable to the Contractor.
2. The City shall be the final authority on when the job has been satisfactorily completed.

XV. GENERAL CONDITIONS

1. All work estimated to exceed a cost of \$500 must be completed by a State licensed contractor.
2. There shall be no reimbursement for any work contracted prior to application.

3. The Agency reserves the right to reject any estimates, contract or contractor. The Owner and Contractor agree to hold the City and Agency harmless from all claims and damages arising from the work and/or the contract.
4. The Agency may deny a request for a loan under the following circumstances.
 - a. Income or property ownership documentation or other information is deemed insufficient, incorrect or falsified.
 - b. The improvements would not enhance the value or increase the useful life or livability of the home.
5. Application for the loan program will be good for only six (6) months, after which time re-application to the program will be necessary. An extension of the time limit may be granted if extenuating circumstances delay the normal progress of the rehabilitation activity.

XVI. PROGRAM MONITORING AND EVALUATION

All elements of the Mobile Home Rehabilitation Loan Program will be monitored and evaluated statistically and programmatically.

In order to provide the Agency with information on the progress of the program, basic data will be maintained on the number of applications received, activities undertaken, applications approved and payments made, and any other relevant data required by the Agency. A regular monthly report will be provided which includes financial balances and disposition of all applicants. A periodic evaluation could be conducted with participating applicants, contractors and Program staff to determine the following:

1. Has the program benefited property owners and the neighborhood in general, and has it met the established goals and objectives?
2. What problem areas exist, if any, and how should the program be modified to address identified problems?
3. Has the funding level and other financial restrictions impeded the realization of the program goals and objectives?