



City of Carson
COMMERCIAL
IMPROVEMENT PROGRAM

Guidelines and Implementation Procedures
November 2016

**Commercial Improvement Program
Implementation Procedures**

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I. INTRODUCTION

The Commercial Façade Rehabilitation Program ("CRP" or "Program") provides financial assistance to eligible property owners in the form of a grant for the renovation of commercial buildings and structures within the City of Carson Commercial Improvement Program Area(s) (collectively "Target Area"). The Program will be implemented through two (2) separate sub programs. They are the Commercial Rehabilitation Program and the Commercial Façade Program.

The goal of the Program is to facilitate commercial revitalization, stimulate private investment, preserve and beautify the commercial corridors, upgrade the physical image of the Target Area, and to generate commerce, tourism, and a pleasant pedestrian environment by improving the visual aesthetics of the Target Areas with enhancements in design, color schemes and building façades through the use of the City of Carson ("City") federal Community Development Block Grant ("CDBG") Funds.

The program objective is to provide financial assistance to property owners to perform eligible façade improvements and correct certain existing code violations to commercial buildings located within the Target Area, and to revitalize the City's commercial building stock.

These Program Guidelines and Implementation Procedures include step-by-step actions to be taken with the applicant from the initial application to the recordation of the Notice of Completion. The CRP will be implemented in accordance with the Program Guidelines ("Policy") approved by the City Council. The City of Carson Community Development Department staff and its designee(s) (collectively "Program staff" or "staff") are responsible for program implementation in accordance with the CRP Policy. The Director of Community Development of the Carson Community Development Department will be responsible for Program oversight. The program guidelines will be approved by the City Council.

Equal Opportunity

Applicants will not be discriminated against on the basis of race, color, religion, sex, sexual orientation, creed, ancestry, national or ethnic origin, age, family or marital status, handicap or disability, or any other arbitrary basis. In addition, applicants may not discriminate in the use, occupancy, and awarding of contracts with respect to the property to be rehabilitated with the assistance of a CRP grant.

II. PROGRAM DESCRIPTION

The Program will fund grants to eligible property owners or tenants of eligible commercially zoned and developed parcels of land located in the Target Areas. For tenants to be eligible, authorization from the property owner will be required in order to apply and to perform any rehabilitation work on the building. As noted in Section 1, the Program is divided into two separate sub-programs. A detailed description of the funding levels for each sub-program is provided in Section 3 of this document.

Commercial Façade Program:

The Commercial Façade Program provides financial assistance to owners or tenants of commercial property located within the Target Area. Financial assistance shall be provided in the form of a grant. The maximum grant amount available under the Commercial Façade Program is \$25,000. Grant funds will be provided for cosmetic exterior façade improvements, addressing code violations and/or new signage. Cosmetic improvements shall be those that do not require any type of structural rehabilitation requiring Building Department plan check. Improvements under this program include, but are not limited to, exterior paint, installation of non-structural architectural finishes such as stone veneer, cornices, architectural molding, new signage, and awnings. The Program Review Committee shall determine whether rehabilitation items are considered cosmetic improvements

Under the Commercial Façade Program, the applicant shall also participate financially by providing a five percent (5%) match of the grant amount being provided by the City. The required match amount shall be deposited with the City and shall be used to cover costs directly associated with the rehabilitation (non-program administration costs) prior to any City grant funds being used.

Commercial Rehabilitation Program

The Commercial Rehabilitation Program provides financial assistance to owners or tenants of commercial property located within the Target Area. Financial assistance shall be provided in the form of a grant. The maximum grant amount available under the Commercial Rehabilitation Program is \$95,000. Grant funds will be provided for substantial rehab that can include cosmetic, structural façade improvements, code violations and/or new signage. Substantial rehabilitation improvements shall be those that require structural improvements requiring the services of an architect and submittal and approval of the Building Department. Improvements under this program include, but are not limited to, substantial remodel of front façade (change in footprint of exterior walls of building), incorporation of new (or deletion) structural architectural elements such as modification to parapet walls, installation of new mansard roof and overhanging architectural elements. In addition, improvements shall also include awnings and new signage. The Program Review Committee shall determine whether rehabilitation items are considered substantial improvements

Under the Commercial Rehabilitation Program, the applicant shall also participate financially by providing a ten percent (10%) match of the grant amount being provided by the City. The required match amount shall be deposited with the City and shall be used to cover costs directly associated with the rehabilitation (non-program administrative costs) such as architectural fees, plan check fees, etc., prior to any City grant funds being used.

Other

The sources of funds for the CRP are the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant ("CDBG") Program funds. These funds are designed to meet community development needs and meet a National Objective through the removal of blighted conditions, As such, the City will qualify the program under the slum/blight removal National Objective.

As a disbursing agent for these funds, the City is responsible for the provision of administrative services for the CRP activities. Staff is responsible for marketing the Program, processing and packaging all rehabilitation grants it provides for the Program, performing onsite inspections, and acting as a quality control agent relative to all Program activity. Program Staff is obligated to comply with HUD regulations as well as other applicable Federal, State, and local rules and regulations.

The Program Review Committee ("RC"), as designated by the Community Development Director of the Carson Community Development Department, will review each application to assure that the rehabilitation work proposed will accomplish the goals set by the City and the Committee. All grants will require majority approval by the Committee in order to obtain assistance.

III. APPLICATION PHASE

A. PROGRAM MARKETING

Program staff will market the CRP to potential applicants through various means, including but not limited to:

1. Advertising through press releases and news bulletins, City website, and local publications;
2. Distributing promotional material directly to commercial property owners that have code violations;

3. Posting brochures in public building bulletin areas (areas may include: libraries, fire stations, Police Department, City Hall, etc.); and
4. Coordinating meetings (as necessary) to explain the CRP to potential applicants and other interested persons.

B. INTEREST LIST

In an effort to provide consistent service to Carson commercial property owners, staff will maintain an on-going Interest List. Prospective applicants may request to be included in the interest list at any time. Prospective applicants will be entered on the list in the order of expressed interest (interest may be expressed by correspondence or telephone). The Interest List will contain the name, address, telephone number, date of first contact, and desired rehabilitation work. Following inclusion on the Interest List, correspondence will be sent to the prospective applicant confirming their status.

To the extent feasible, prospective applicants shall be pre-screened for basic eligibility requirements over the telephone by Program staff. A log of pre-screening calls shall be maintained by the City.

As funds become available, an application will be forwarded to prospective applicants, at which time the applicant will be given 30 calendar days to submit a completed application. If after 30 days the application has failed to submit an application, reasonable efforts will be made to contact the prospective applicant. If such efforts fail, the prospective applicant shall be removed from the list after 60 days. Correspondence confirming their removal from the Interest List will be sent to the address provided.

Staff will use the Interest List as a mechanism to control the commitment of available funds, to ensure efficiency, and the timely expenditure of funds. Based on demand, marketing efforts will be increased or decreased to achieve program objectives.

C. APPLICATION REVIEW AND APPROVAL PROCEDURE

As funds become available, Staff will contact and send an application to the next person on the Interest List (see above). All applications will be date-stamped as they are received. Following staff's determination of applicant and property eligibility. Grant funds shall be reserved in the order of application approval. The reservation of funds is an administrative function and not a commitment to provide funds or service. The City is not committed to provide assistance until all processing procedures have been implemented and the applicant enters into a Participation Agreement with the City.

Funding is limited and subject to availability. When all available Program funds have been reserved for the fiscal year, unfunded applicants shall be placed on the CRP Interest List. These unfunded applicants will have first priority when additional funds become available, and will be notified and may re-apply to the CRP at such time.

In the course of performing an application review, staff will perform the following tasks:

1. Review application for completeness and eligibility of the applicant and property.
2. If necessary, contact applicant to get a full description of the improvements proposed under the Program.

3. If upon review of the application staff determines the applicant and property are ineligible, inform the applicant in writing of its determination.
4. If upon review of the application staff determines the applicant is eligible, staff will log the application into the program database, enter the preliminary approval date, and set up a six-part classification file to maintain all required documentation.
5. Obtain a property information report from the City's GIS system or other property information service provided by the City's title company. This report must include the Assessor's Parcel Number, square footage, year built, ownership information, flood zone information, transaction history, and other pertinent information used to verify property type, size, age, value, and physical location.
6. Schedule an RC Meeting to provide a preliminary determination regarding project feasibility and eligibility. RC shall approve, approve with revisions, or deny the reservation amount recommended by Staff.
7. Once an applicant has been determined to meet eligibility requirements, and the project has received preliminary approval by the RC, Staff shall schedule an initial inspection of the property to determine the extent of the rehabilitation work and any code violations that need to be corrected pursuant to the provisions of the Program

As a goal, processing time from the date the applicant submits an application to the time that the steps noted above are completed shall be 60 days.

D. PROGRAM ELIGIBILITY

To be eligible for assistance, the following conditions must be met:

1. Applicant Eligibility

Applicants will be processed on a first-come, first-served basis. No member of the governing body of the City and any other official, employee, or agent of the City Government who exercises policy, decision-making functions or responsibilities in connection with planning and implementation of the program shall be directly or indirectly eligible for CRP assistance. This restriction shall continue for two years after an individual's relationship with the City ends.

Applicants must be of legal age. The applicant(s) must be the current owner(s) or tenants of the property to be rehabilitated in order to be eligible for Program assistance. Eligible individuals, partnerships, corporations, nonprofit corporations and other legal entities may apply for assistance. The existing grant deed must list all current owners of the property. Property owner(s) shall be construed to be any person(s) or legal entity that holds title to the subject property. In cases of multiple owners, the signature of each titleholder is required on all appropriate documents, as determined by staff. Applicants who are tenants of the building must obtain written authorization from the property owner to apply and to complete the rehabilitation work.

Staff shall verify property ownership and require all persons currently on title to give written consent to all work proposed to be performed on the property prior to initiating such work.

2. Property Eligibility Requirements

Buildings or structures eligible for rehabilitation under this Program must be located within the approved Target Area, be located in a commercially zoned and developed for uses permitted by the City's Zoning Ordinance.

As a condition of participating in this rehabilitation program, it must be adequately demonstrated that the subject property will be, or will continue to be utilized for commercial purposes as provided by the City's adopted zoning ordinance.

All taxes, assessments, and insurance premiums currently due or in arrears on the property must be paid before grants are made. The applicant property must have sufficient fire and flood insurance (if required) as necessary to protect the owner and the City's interest in the property.

As CDBG funding is utilized for all or part of the CRP funding, Staff shall complete a Commercial Rehabilitation Eligibility Form. The form shall denote the criteria for the eligibility of the improvements and the CDBG National Objective met by the proposed rehabilitation, as well as other relevant determinations assessed in support of CDBG funding eligibility. Additionally, photographs of the pre-rehabilitation condition of the site, with detailed photographs denoting the pre-rehabilitation conditions and shall be placed in the project file.

E. DETERMINATION OF PROGRAM ASSISTANCE LEVEL

The level of program assistance for a particular project depends on several factors: (1) the maximum assistance limits based on the sub-program being solicited; (2) the condition of the property; (3) the type and cost of the desired improvements; and (4) program funding limitations based on the source of funds. Once it is determined the type of improvements proposed, the applicant will be directed at one of the two sub-programs listed below.

Commercial Façade Program Grants

Grants are available to all eligible applicants that meet the CRP requirements. A Commercial Façade Program grant shall be provided in the maximum amount of \$250.00 per lineal foot of building façade (primary façade) that faces onto a public right-of-way. If the property is located on a corner property facing two streets and contains two (2) primary facades (an entrance on each side) as determined by the Program Review Committee, each façade will be calculated at a maximum of \$250.00 per lineal foot of frontage. For other facades that are visible from a public right-of-way or provide a secondary public entrance to the business, the City shall provide a maximum grant in the amount of \$125.00 per lineal foot. The maximum grant amount available under the Commercial Façade Program is \$25,000.

Commercial Rehabilitation Program Grants

Grants are available to all eligible applicants that meet the CRP requirements. A Commercial Rehabilitation Program grant shall be provided in the maximum amount of \$450.00 per lineal foot of building façade (primary façade) that faces onto a public right-of-way. If the property is located on a corner property facing two streets and contains two (2) primary facades (an entrance on each side) as determined by the Program Review Committee, each façade will be calculated at a maximum of \$450.00 per lineal foot of frontage. For other facades that are visible from a public right-of-way or provide a secondary public entrance to the business, the City shall provide a maximum grant in the amount of \$125.00 per lineal foot. The maximum grant amount available under the Commercial Rehabilitation Program is \$95,000.

Program funds under the Commercial Rehabilitation Program may also be used to pay for architectural services, City planning entitlement processing, and building plan check and permit fees associated with the rehabilitation work proposed under the Program. However, no more than **\$10,000.00** of program funds can be used for such purposes. If the applicant withdraws his/her application for assistance or fails to implement the rehabilitation within 180 days after funds are used for payment of architectural services, and/or City application fees the applicant shall be required to reimburse the City for all funds paid to the architect and/or City.

Reapplication for Additional CRP Funding

Once a façade or rehabilitation program grant has been provided, the property will not qualify for additional Program funding.

1. Condition of the Property

The composition and level of assistance depends largely on the condition of the improvements on the property that is to be rehabilitated, and whether existing code violations are present.

Standards and Assistance Level

The amount of assistance provided is determined by the amount of commercial rehabilitation that is eligible, necessary, and reasonable. Staff must determine whether or not the applicant qualifies for grant assistance, in conformance with the following Program requirements:

CRP funding may not exceed the amount necessary to perform the City and owner-approved rehabilitation work, as determined by the results of the owner's competitive procurement.

IV. REHABILITATION STANDARDS

A. BASIC REHABILITATION STANDARDS

All work performed under the provisions of this Program shall meet all applicable standards contained in the City's adopted zoning ordinance, local building and safety codes, and such other codes as designated by the Planning Manager and Building and Safety District Engineer. The City's Municipal and Zoning Ordinance can be viewed on the City's web site at <http://ci.carson.ca.us>.

The City, through its use of CDBG funds, is limited as to the type of assistance that may be provided through the CRP. CDBG funds may only be used for exterior building rehabilitation items, American with Disabilities Act (ADA) compliance requirements directly on building (as required by the Building Department in order to complete the rehab) and addressing code violations. Such exterior improvements may include, but are not limited to, exterior refinishing, new attached signage, and building façade reconfiguration. See Section III for more information on eligible improvements based on sub-project chosen.

When code requirements dictate that required interior ADA barrier removal improvements be performed in conjunction with permit issuance for the CRP proposed improvements, then program consultant shall confer with the City Building Department to determine viable alternatives. Allowability of any costs for ADA barrier removal under the CRP is subject to RC approval. Typical allowable CRP ADA improvements include: performance of entry, path of travel and handicap bathroom access.

All CRP-funded improvements must be physically attached to the property and permanent in nature. Program consultant/inspector will recommend specific improvements based on a site analysis or architectural design recommendations.

Additionally, to participate in either of the two CRP sub-programs, all signage on the property to be rehabilitated must be brought up to conformance and maintained in conformance with the Sign Ordinance of the City

The CRP uses the building, health and safety codes adopted by the City. All rehabilitation work shall meet the City's adopted building, plumbing, electrical, and health and safety codes unless another standard's appropriateness prevails as determined by Program staff in consultation with the City's Building and Safety Division.

B. STANDARDS FOR REHABILITATION OF HISTORIC PROPERTIES

In order to comply with Section 106, National Historic Preservation Act of 1966 as amended (16 U.S.C. 470) and HUD guidelines, staff shall prepare a Basic Property Identification Form for all structures to be assisted. Such form shall be accompanied by at least four photographs, and shall be submitted for review to the State of California, Office of Historic Preservation, when a property is more than 50 years old. In accordance with State Historic Preservation Office ("SHPO") guidance to the City of Carson, all buildings less than 50 years in age will not be submitted for review.

Office of Historic Preservation
P.O. Box 942896
Sacramento, CA 94296-0001
Tel: 916-653-6624
FAX: 916-653-9824
<http://ohp.parks.ca.gov>

For structures deemed historic, special requirements must be met under the National Environment Policy Act and the National Historic Preservation Act of 1966, as amended. Under direction from SHPO, historic properties shall be rehabilitated in accordance with the most appropriate standards based on the age and architecture of the structure. The basic principle is to preserve the character of the exterior spaces and surfaces. This generally entails the submission of the Work Description to SHPO for review and comment.

C. ENVIRONMENTAL REVIEW

The National Environmental Policy Act (NEPA) and Council on Environmental Quality (CEQ) dictates that CDBG funds may not be released until the City has certified that a review of the project activities demonstrates that no significant impact on the human environment is likely to occur or that actions have been initiated that would mitigate any potential impacts to the extent practicable.

As such, environmental forms must be completed as required under the NEPA and CEQ and approved prior to releasing funds. A Determination of Categorical Exemption, Statutory Worksheet, and Level of Environmental Review form will generally address anticipated typical commercial rehabilitation activities contemplated under the CRP. Staff shall ensure that appropriate documentation is prepared and signed by the City's authorized official prior to the commitment of CDBG funds. Copies of the environmental review documentation shall be maintained in the project file.

D. EXAMPLES OF ELIGIBLE REHABILITATION COSTS

In addition to the eligible direct construction costs, grant funds may be used to pay recording fees, architectural and engineering services, planning entitlement costs and building permit fees, and work scope associated environmental hazard testing and reduction (lead-based paint and asbestos).

V. PRE-CONSTRUCTION PHASE

A. WORK DESCRIPTION AND BID PROPOSAL FORM

After eligibility is established, the feasibility of rehabilitating the property must be established. A Physical inspection of the property must be performed by the program inspector/consultant, a conceptual façade treatment agreed upon, and a work description developed. The property owner will be required to deposit funds (5% if applying for the Commercial Façade Program or 10% if applying for the Commercial Rehabilitation Program) based on the estimated amount of grant with the city that will be used before City grant funds are used. This will represent the applicant's good faith and commitment to follow through with the program.

1. Property Inspection Procedures

Inspections will be performed a minimum of three separate times during the rehabilitation process. The initial property inspection takes place following staff's determination of applicant and property eligibility to determine rehabilitation needs for the purpose of the funding recommendation, environmental review and whether or not hazardous materials testing will be necessary. The next inspections take place during the construction phase to verify compliance with contract specifications in order to validate the payment of funds to the contractor. Staff and the applicant will conduct a final inspection upon completion of all work items.

The initial inspection shall be performed by staff to evaluate the current condition of the property, and initiate discussions regarding the conceptual façade improvements desired by the owner. Staff shall document the concepts discussed for transmittal to the Program's architectural services provider, and include photographic documentation of existing site and improvements conditions within the project file.

2. Façade Concept Development

Upon receipt of the details regarding the owner's desired façade improvements, conceptual renderings (if required) of the proposed improvements shall be prepared by the Program's architectural services provider. Applicant may use and pay for their own architectural services. Completed conceptual renderings shall be forwarded for review by the applicant and Program inspector/consultant.

Upon receipt of input from both the applicant and Program inspector/consultant, a revised rendering shall be prepared (if necessary) by the architectural services provider, to incorporate recommended modification to the façade/improvement design.

Upon receipt of a façade/improvement concept which meets the approval of the applicant and Program staff, a floor plan and elevation shall be prepared and submitted to the City's Planning Department for review and comment.

Based on any Planning Department comments, modifications as necessary shall be performed to the elevation and floor plan, and re-submitted to the Planning Depart for review, comment, and re-adjustment as necessary.

Upon receipt of elevation and floor plan approval from the Planning Department, applicant, and staff, the Program's architectural services provider shall be directed to commence the construction drawing and engineering phase. Complete construction drawings and engineering for the plans shall be completed for the purpose of plan review by Building and Safety, and developing a bid document, obtaining bids, and constructing the improvements.

In the development of the construction drawings, energy efficient and green building standards will be used to the greatest extent feasible. All improvements shall conform to the California Title 24 energy efficiency requirements. Staff may consult Building and Safety and the Planning Department on any issues that require interpretation of the Building Code or Municipal Code, as necessary.

3. Work Description and Cost Estimating

Based on the construction drawings, the program consultant/inspector shall prepare a work description document that details the improvements. The property owner/tenant will be responsible for procuring three (3) competitive bids to be submitted to the city. The Work Description is a detailed list of specific improvements to be completed, and serves as the basis for estimating itemized costs, obtaining reliable and comparable bids from contractors, and as the scope of work to be included in the construction contract between the selected contractor and owner. The Work Description also serves to document the allow ability of all proposed improvements function as a checklist in reviewing work performed, and as a dispute resolution tool.

The integrity, accuracy and specificity of the Work Description are essential to the success of each project. Development of the Work Description requires: a) detailed knowledge of construction materials, methods and terminology, b) sound understanding of Building Code requirements; and c) the ability to write technical documents.

The Work Description is also the basis for estimating the cost of each work item. The Cost Estimate is utilized by the RC to ensure that sufficient financial resources are available to complete the scope of work. In many cases, a work item is derived from a standard specification. Using a tabulation of bids within the last twelve months as a guideline, staff shall prepare an internal cost estimate for each repair item and the entire project, for RC feasibility consideration and approval. A copy of the Cost Estimate shall be maintained by Staff within the project file. The internal cost estimate shall not be provided to contractors.

Prior to the owner's contractor procurement, the Work Description must be approved by the RC in its function as the screening committee. Following approval, bid packages shall be provided to the owner with detailed instructions on how to conduct the procurement.

4. Applicant Review of Work Description

Upon RC approval, program consultant/inspector shall transmit the prepared Work Description to the applicant for review and approval. Upon receipt of the applicant signed Work Description, bid packages can be prepared.

5. Lead-Based Paint and Asbestos Evaluation and Requirements

Any required lead-based paint or asbestos inspections (initial and clearance) will be performed by the City's contracted environmental services testing firm. The cost of initial testing and clearance will be included as part of the owner's grant. In the event that an initial clearance test fails, it will be the contractor's responsibility to pay for supplemental clearance tests. The contractor engaged to encapsulate and/or stabilize lead-based paint, or to remove asbestos, will not be paid until acceptable evidence of a lead-based paint clearance, or air sample if required, is presented to Program staff. Lead-based paint and asbestos inspection reports and risk assessments (as applicable) will be provided to the owner and made available to contractors as an appendix to the Work Description and Bid Proposal Form.

B. CONTRACTOR LIST AND QUALIFICATIONS

To facilitate competitive bidding, staff shall maintain an active list of licensed contractors who are interested in participating in the CRP. This list shall be of limitless and sufficient number to achieve program goals. Outreach efforts shall include but not be limited to sending out an introductory letter to Carson general contractors with business licenses; general contractors listed in the phone book specializing in commercial rehabilitation work (including historical rehabilitation); and contacting other municipalities in the area to obtain contractors lists. The list should include firms or persons who have a good performance record and should include information on minority- and women-owned business status in accordance with CDBG regulations.

Application for inclusion on the CRP Contractor Referral List shall be performed through a Contractor Application process. Staff shall examine the supplied referrals and documentation to ensure compliance with CRP goals and Contractor Application requirements, prior to placement on the referral list.

This list will be made available to program participants upon request. Prior to any contract award, staff must verify that contractors are properly licensed through the California Contractors State License Board (CSLB) and that the contractor's company and its personnel are not listed on the Federal Excluded Parties Listing Service (EPLS). Contractors must maintain and furnish proof of General Liability Insurance (\$1,000,000.00 aggregate minimum) and appropriate Worker's Compensation Insurance with the Agency and City as added insured. Contractors must maintain a current City of Carson Business License.

The City reserves the right to exclude contractors with poor performance records from the list and to deny such contractors from participation in the CRP. The provision of a Contractor List to owners is in no way an endorsement of a particular contractor's ability to perform quality work. Owners will be cautioned to use the CRP Contractor Referral List as they would any other advertisement material because the list merely indicates that particular firms are interested in doing business with the CRP.

C. OWNER PROCUREMENT

Following the owner's approval of the Work Description, staff shall prepare and transmit bid packages for the owner's procurement.

When preparing the bid packages, program consultant/inspector shall ensure that the correct wage decision applicable to a construction project is the wage decision in effect ten calendar days prior to the physical opening of sealed bids in a formal bid procurement

process (lock in of the wage decision), and within ten calendar days prior to the date the contract is awarded for informal or small bid construction contracts. Once the wage decision is determined, it is valid as the appropriate wage decision for that solicitation for 90 days from the date of the physical bid opening.

Generally, owners are required to submit bids from B-licensed General Contractors unless the Work Description only contains a single specialty trade item.

The City will coordinate with the property owner to obtain at least three estimates from qualified contractors for each rehabilitation project. The property owner(s) shall be responsible for obtaining estimates for repairs. Estimates shall be submitted to the Program in the prescribed form.

Staff shall maintain a plan holder's list, to ensure that all prospective bidders are notified of any changes in the plans and specifications, updates in the wage decision, or the time and place indicated in the Invitation for Bids.

All bids shall be publicly opened at the time and place prescribed in the Invitation for Bids. Staff shall provide a sign-in sheet for participants in the event of a bid protest.

Any contractor with lapsed General Liability and/or Workers Compensation insurance or a valid state contractor's license shall be removed from the job until he/she is able to provide proof of current insurance and/or license. All contractors shall be required to obtain a City business license prior to the issuance of a building permit.

All owner/builders, or any member of the applicant's family, are considered ineligible, regardless of credentials or license. Any ineligible contractor found working at the job site will be removed immediately, without compensation.

To be considered a valid bid submission, all bids shall be received by the Carson City Clerk's Office, on or before the bid opening time and date prescribed in the bid documents.

D. PRE-BID MEETING

Staff shall conduct a pre-bid meeting to provide general guidance regarding the scope of improvements addressed under the bid specifications, the federal and state prevailing wage requirements, provide guidance on any special construction needs, project timing, the payment process, bid submission requirements, completed construction expectations, general project information, address any required additional federal rate and classification needs, and to respond to contractor inquiries.

E. DETERMINING COST REASONABLENESS

A reasonable bid will be within 10 to 15 percent of the staff internal Cost Estimate. If the difference exceeds 15 percent, further negotiation with the lowest responsible, responsive bidder should be attempted to ensure cost reasonableness.

F. BID OPENING

On the date and time of the bid opening, the City Clerk in conjunction with the program consultant/inspector shall open and appropriately log the bid submissions into a bid-opening summary sheet which records the results of the bid opening.

Staff shall review all required Davis-Bacon and related acts certifications and submissions required under the bid proposal, and shall prepare the bid evaluation form to compare line item prices and to accurately determine the lowest responsive bid.

Staff shall additionally evaluate each bid to ensure the responsiveness of the bidder and the reasonableness of the bid. A responsible bidder is a bidder who has demonstrated the attributes of willingness to comply with funding program requirements, capacity, and experience to satisfactorily perform the contract.

The applicant will make the final contractor selection from among three qualified contractors who submit construction estimates. As required by HUD, the award of the contract will be awarded to the lowest responsive and responsible bidder. In case where the applicant desires to award the construction contract to an approved contractor other than the lowest responsible bidder, the City may set the amount of the award equal to the amount of the bid of the lowest responsible bidder. The applicant shall be responsible for the payment of any difference in the cost of construction.

G. REVIEW COMMITTEE (RC)

Prior to convening an RC meeting, program consultant/inspector will prepare the RC Report describing the proposed work to be completed along with the applicant's eligibility criteria. Staff will review the complete application package with the RC members, who will approve or disapprove the grant in accordance with the CRP Policy and consideration of the grant recommendations.

H. VERIFICATION OF CONTRACTOR ELIGIBILITY

Staff will investigate each contractor prior to contract execution, and verify that the selected contractor and their subcontractors are appropriately licensed (www.cslb.ca.gov), eligible to participate on Federal projects through the System for Award Management (www.sam.gov), insured (\$1 million aggregate General Liability Insurance and statutory Worker's Compensation Insurance) with original added insured certificates on file with the City, and possesses a current City Business License. Printouts of all verification documentation shall be maintained in the project file.

Following the verification of contractor eligibility, and compliance with all pre-construction submission requirements, the City and owner may proceed with the execution of all program legal documents.

The owner may request that the contractor secure a performance bond for the proposed rehabilitation. The contractor, who will obtain the bond through a bonding company, must honor such requests. The cost of the bond shall be included as part of contractor's overhead costs and shall be added to the overall rehabilitation bid price.

I. AWARD OF CONTRACT

Upon successful verification of contractor eligibility, staff shall notify the selected contractor of the award of bid and shall establish a date, time and place for the pre-construction conference. Staff shall notify, in writing, the non-selected contractors.

The contract, for the approved rehabilitation work shall be prepared by staff and shall be entered into between the property owner and the selected contractor. The City may require the inclusion of certain contractual terms in accordance with CDBG requirements.

Upon contractor selection, staff shall forward a Notice of Contract Award to OFCCP for all contracts and sub-contracts awarded over \$10,000.00:

U.S. Department of Labor
Office of Federal Contract Compliance Programs
11000 Wilshire Boulevard, Suite 8103
Los Angeles, CA 90024

Additionally, program inspector/consultant shall caution the property owner and the contractor not to enter into "side deals" for additional work or deviations from the approved scope of work, and the contractual consequences of such arrangements.

In accordance with CDBG guidelines, the City and the applicant(s) shall agree not to award any contract for rehabilitation work, to be paid for in whole or in part with proceeds from a Program grant to any contractor who does not have a valid state contractor's license, who cannot produce sufficient evidence of current Workers Compensation and Liability Insurance coverage, or who is on the federal Systems for Award Management (SAM) Excluded Parties List.

J. IMPROVEMENT AGREEMENT

The Improvement Agreement is an agreement between the City and the Owner that links the grant documents to the construction contract agreement. It is a contract between the City and the applicant setting forth the terms and conditions of the grant of CRP funds, specifically:

- a. Source of funding.
- b. Applicable funding source requirements.
- c. Conditions of program eligibility.
- d. Amount granted.
- e. Amounts for other services.
- f. Basic use of the funds.

At all times throughout the application and pre-construction phases, it is critical that Staff emphasize to owners both verbally and in any written correspondences that absolutely no program funds have been committed or approved by the City until the designated Program representative signs the Improvement Agreement. Only after this occurs can funds be encumbered.

K. GRANT DOCUMENTS

A complete set of documents should include the:

- a. Grant Participation Agreement
- b. Agreement between Applicant and Contractor;

The Grant Participation Agreement shall be a legal contract that precisely and formally delineates the reciprocal obligations of both the borrower (the owner) and the lender (the City). Staff and program inspector/consultant will meet with the owner(s) to obtain their signature(s) on the Grant Documents and have the Grant Participation Agreement notarized.

L. PRE-CONSTRUCTION MEETING

The objectives of the pre-construction meeting are to: (i) inform all parties of their roles and responsibilities throughout the construction phase; (ii) inform the owner, contractor

and their subcontractors about their rights and responsibilities under the contract agreement; (iii) explain all applicable HUD requirements including Labor Standard Requirements (Davis-Bacon and related acts provisions); (iv) review the work scope and address any concerns prior to the execution of the contract; (iv) answer owner questions regarding construction methodology; (vi) facilitate the selection of finish materials, colors, etc.; (vii) prevent unauthorized change orders; (viii) inform the contractors about the payment process; (ix) coordinate and schedule the work start date; and (x) execute the contract agreement.

Prior to construction, staff will arrange for a pre-construction meeting which shall be attended by the contractor, subcontractor(s), the property owner(s), and staff. The program inspector shall maintain a sign-in sheet of attendees, utilize a prepared pre-construction meeting agenda and maintain written minutes of this meeting. All pre-construction documentation shall be maintained within the project file.

M. CONSTRUCTION CONTRACT

During the Pre-Construction Conference, Program staff shall present a construction contract to the owner and the selected contractor. The construction contract shall contain the following items:

- The Contract Agreement;
- The Work Description and Bid Proposal Form;
- General Conditions;
- Schedule of Progress Payments; and
- Mechanic's Lien Warning.

In accordance with CDBG Program Entitlement Grant Regulations, Davis-Bacon requirements apply to the rehabilitation of all commercial buildings and structures funded with CDBG funds.

N. RECORDS

Staff shall place a copy of all documents, fully signed, in the project file. Appropriate copies shall be provided to the owner and contractor.

VI. CONSTRUCTION MANAGEMENT

A. ISSUANCE OF THE NOTICE TO PROCEED

The contractor may not begin work until the contract with the owner has been signed, the Program staff has received all required insurance certificates, and Program staff has issued a "Notice to Proceed." The contractor shall obtain and pay for building permits before commencing any work. Rehabilitation work is to commence within ten calendar days of the issuance of the "Notice to Proceed".

B. FINANCIAL MANAGEMENT

Financial Management is the activity of administering, organizing and controlling the flow of CRP funds. The objectives of the financial management process are to:

- Maintain accurate records;
- Accurately monitor the rate of expenditure in relation to plan;
- Facilitate prompt payments to contractors; and
- Avoid over-payments, double payments, and other financial lapses.

Program inspector/consultant shall maintain ongoing monitoring of project and program expenses through project and program logs to ensure that eligible expenditures are appropriately booked in the City's financial records; and to ensure appropriate reimbursement of CDBG funds.

C. PROGRESS REVIEWS AND RELEASE OF FUNDS

The Progress Review/Release of Funds process is the means by which funds are paid by the Program. The primary objectives of the Progress Review/Release of Funds process are to:

- a. Ensure compliance with federal and state prevailing wage, and contractual requirements;
- b. Release funds only for work performed in accordance with the Work Description or an approved change order; and
- c. Document all releases of funds for audit purposes.

D. PERFORMANCE SCHEDULE

Included in each Construction Contract is a performance and progress payment schedule. Typically, a performance and payment schedule will provide for one to five phases in the construction process. In each phase, certain work will be performed, invoiced and paid.

Staff will periodically (generally every seven days) review progress on all projects under construction for compliance with the established performance and payment schedules. In the event of delays, the following steps should be taken by staff:

- Telephone contacts with owner and contractor.
- Site visits.
- Written notification to contractor.

These and other actions will be pursued in a systematic and consistent manner by program consultant/inspector and documented in detail, either through copies or on the project file correspondence sheet.

When the work in a given phase within the progress payment schedule is complete, all contract provisions have been met, and all required CRP and City inspections have been performed, and approved by the owner, the Program can process a Request for Payment.

E. LABOR COMPLIANCE REVIEW

Program Consultant/Inspector shall be responsible for administration and enforcement of labor standards provisions on CDBG financed projects. Records shall be maintained within the project file which document that all labor standards administration and enforcement activities have been met.

During its initial site visit, program consultant/inspector shall confirm that all required postings are present on the job-site. Photo documentation shall be obtained and maintained in the project file.

Field Interviews

Program Consultant/Inspector shall monitor construction activity with the workers employed at the job site using the HUD-11 "Record of Employee Interview" form, and performing regular detailed reviews of each contractor's weekly Certified Payroll Reports (CPRs). It is essential that the "Record of Employee Interview" form be completely filled in. The interviewer's observations may be helpful in the event of a labor dispute.

A representative sample of the workers in each trade shall be interviewed. The number of workers to be interviewed on a project of \$99,999.00 or less is 10% of each trade, and on a project with a construction contract of \$100,000.00 or more is 20% of each trade.

As a reminder, no person is exempt from participating in the field interview. A Contractor's refusal to participate and allow staff to conduct field interviews may be grounds for suspension of payment, contract cancellation or debarment proceedings.

Field interviews shall be conducted on the premises, at a place and for a duration that shall permit privacy for the worker and cause the least amount of disruption to the on-going work.

In the event that a worker approaches staff to report an underpayment, staff shall provide a HUD-4731 form for worker completion, with submission of the required supporting documentation.

Field Interview Reconciliation to CPR(s)

Staff shall be responsible for reconciling the field interviews with the submitted CPR(s). The review shall be conducted to ensure that the data contained with the documents is consistent. In the event that any inconsistencies are noted, staff shall be responsible for issuing written notification of the discrepancy to the contractor. The notification must include: an identification of the violation in detail, documents reflecting how the underpayments were calculated, provide the required corrective action to be taken, advise the contractor of the Program's appeal process, specify the date within which the violation must be resolved, and advise the contractor of any penalty or sanction to be sought.

CPR(s) must be received by program consultant/inspector in a timely manner in order for the Program staff to review the documents and address any deficiencies without delay. Deficiencies in CPR(s) may create a monetary liability that will cause the Program to withhold part or all of a progress payment. Only the employee's name, date of the interview and the observations made by the interviewer can be released in order to address a discrepancy that is discovered by Program Consultant/Inspector while reconciling the "Record of Employee Interview" with the payroll.

Program Consultant/Inspector shall notify the prime contractor in writing immediately when any discrepancies are discovered on any CPR(s), and request resolution of discrepancies in a timely manner.

Certified Payroll Reports (CPR(s) Review

Staff shall monitor that all applicable CPR(s) are to be submitted each week with an original Statement of Compliance form with wet signature. Program consultant/inspector

shall examine all CPR(s) to ensure inclusion of all the required information. If information is missing, the contractor shall be required to submit a corrected or supplemental CPR. In no case shall an original payroll report be returned to the contractor.

In its performance of CPR(s) reviews, Program Consultant/Inspector shall:

1. Ensure that each worker's address and social security number are reported on the first payroll on which the worker appears. Contractors shall be required to submit a supplemental CPR or attach written documentation to the corresponding payroll reflecting any missing addresses or social security numbers.
2. Review work classifications and hourly wage rates reported on the CPR's, and compare them with the assigned Federal Wage Decision and any field interview forms. The review shall ensure that workers are reported in the proper work classification and are paid hourly wage rates that are equal to or greater than the wage rates listed in the wage decision. If work classifications and wage rates reported on the CPR(s) do not match the Federal wage decision, staff shall require contractors to reclassify workers in accordance with the Federal Wage Decision, make restitution payment to the worker(s) and submit a revised CPR.
3. Ensure that owner-operators submit an owner-operator listing report to the prime contractor, who will then certify its accuracy by attaching a WH-348 Statement of Compliance form and submit to the Program Consultant/Inspector.
4. Ensure that any apprentice workers are certified in accordance with the revised federal law.
5. Ensure that each worker is paid no less than once a week, the full amount of hourly wages and fringe benefits that are listed on the assigned Federal wage decision for the appropriate work classification.
6. Ensure that if workers perform overtime, that they are paid 1 and ½ times their basic hourly wage rate, plus the hourly fringe benefit, for all hours worked over 8-hours in a day or all hours worked over 40-hours in a week.
7. Ensure that all payroll deductions that are lawful, including any other legally-permissible deduction authorized by the worker, and that Fringe Benefits were paid into approved plans or to the worker. Deductions may also be made for payments on judgments and other financial obligations legally imposed against the worker. A copy of the court order or judgment must be attached to the first payroll report that the worker is reported on. Any deduction listed in the "other" column of the payroll report must be verified by staff and include documentation to support the deduction.
8. Ensure the integrity of confidential information contained within the submitted payroll documentation. Please note: To protect the personal privacy interests of workers, copies of CPR's shall not be released to outside parties and may be withheld under Exemption 6 of the Freedom of Information Act (FOIA) unless the worker's personal identifiers (e.g., name, address and social security number) are first deleted.
9. Ensure that all payroll reports are current, within two weeks of any payment request for the project.
10. Ensure that all contractors and sub-contractors annotate their last CPR(s) as "final," and that at the time of final payroll submission, that the required Section 3 Compliance Report is provided.

Upon completion of its CPR review, staff shall issue review correspondence which addresses the CPR(s) reviewed. The review correspondence shall including an identification of any deficiencies noted, inclusive of a discussion of how any underpayments were calculated, provide the required corrective action to be taken, advise the contractor of the Program's appeal process, specify the date within which the discrepancies must be resolved, and advise the contractor of any penalty or sanction to be sought. If the review does not indicate any deficiencies in the CPR(s), then a clearance review letter shall be issued. CPR Review correspondence shall be issued by staff no more than ten (10) days after receipt of the CPR submittal(s), and a copy maintained in the project file.

F. DISBURSEMENT OF FUNDS

The City will disburse funds in accordance with the following procedures:

1. Inspections

To ensure the integrity of the authorized work, the Program Inspector shall conduct site inspections prior to the issuance of progress payments and prepare detailed inspection reports which identify any deficiencies in a contractor's materials or workmanship. The Program Inspector shall make regular and/or unannounced inspections of work-in-progress to identify the quality of the work and assess owner satisfaction. Each site visit shall be documented by photographic documentation, to be maintained in the project file.

2. Payment Request Packages

The Contractor shall submit payment request packages to the City in the prescribed format. All requests shall be signed by the contractor, property owner(s), and the staff inspector, certifying that the work has been satisfactorily completed. All pertinent invoices, releases, certifications, list of subcontractors and materialmen, and copies of applicable permits shall be attached to the payment request. Final payment request shall also include the property owner's certification of acceptance, Building and Safety Department signoff, and a Notice of Completion. Payment request packages shall be submitted to the Program consultant/inspector for approval. Progress payments will be paid for 90% of the job costs. The final payment for the 10% retention shall be paid 35 days after the Notice of Completion has been recorded.

- a. Upon receipt of a contractor's invoice, staff and the owner shall inspect the property to ensure that the invoiced work items are 100% complete in accordance with the Work Description. The owner shall sign the Progress Inspection Report and Payment Authorization forms. If the work is not satisfactorily completed, the owner and/or program inspector may notify the contractor in writing so that corrective actions are performed.
- b. Progress payments shall equal 90% of the cost of such work items completed, as determined by the Progress Payment Schedule. Retention equal to 10% of each progress payment shall be withheld until the project has been completed, and the 35-day period following the recordation of the Notice of Completion has elapsed. The recordation of the Notice of Completion within 10 days of the project's completion initiates a 30-day period of time where liens may be recorded against the property; thus, allowing sufficient time for contractors, subcontractors, and suppliers to receive payment following the City's 90% disbursement(s). Progress payments due the contractor shall be paid after City approval of receipt and verification of contractor's invoice(s) and

satisfactory Release of Liens, or claims for Liens, by contractor, subcontractors, laborers and material suppliers for work completed and materials installed.

- c. After the owner and staff have verified that payment should be made, staff shall process a request for payment disbursement. Upon authorization by the Program's designated staff person, the request for disbursement may be processed.

G. CHANGE ORDERS, DELAYS AND DISPUTES

Change Orders, delays, and disputes are all issues that can arise in construction. All three can interfere with program goals, unless they are minimized and handled expeditiously.

A Change Order is a written modification to the Work Description. In order to be valid, the owner, contractor and program staff must approve a Change Order. Work other than that described in the Work Description and approved Change Order, including work performed before the Change Order is fully approved, will not be paid with CRP funds. It is staff's responsibility, through the progress review process to strictly and consistently enforce this rule. Change Orders relating to unforeseen difficulties encountered during the course of construction may receive verbal approval from the staff so as not to interrupt or stem the flow of work. Such approval is to be followed immediately with appropriate paperwork. The Change Order Process is as follows:

1. The owner or contractor initiates change orders. In cases where the owner contacts staff for a Change Order, staff should remind the owner and the contractor that no change in the Work Description is approved until all parties have signed the Change Order and that any work performed prior to approval of the Change Order will not be paid for with CRP funds.
2. Staff shall promptly visit the property and determine the following:
 - a. Is all work performed by the contractor at the site authorized by the contract agreement?
 - b. Is the change appropriate?
 - c. Does the proposed change conform to the CRP Policy and Implementation Guidelines?
 - d. Is sufficient funding available to cover the additional costs (if applicable) associated with the proposed change order?

If the Change Order is denied based on staff's review, staff shall promptly inform the owner and contractor in writing of the decision and document the decision and the reasons for the denial in the project file. The program consultant/inspector should remind the owner that they are responsible for paying for any unauthorized work.

3. If the Change Order is approved, the program consultant/inspector should prepare the Change Order for signature first by the owner and contractor and then by the designated Program staff. The original signed Change Order should be placed in the project file, and copies should be transmitted to the owner and contractor. At this point, the work described in the Change Order may commence.

H. DELAYS

A delay is a failure to meet the timetable provided in the section of the agreement entitled "Performance and Payment Schedule". Program consultant/inspector will monitor projects for delays and, when necessary, devise corrective action for delinquencies.

I. DISPUTES

A dispute is a disagreement between the owner and the contractor, typically concerning satisfactory work completion, timeliness, or payment amounts, which can interfere with the progress of the project.

1. The first responsibility of staff in relation to any dispute is to avoid involvement. Staff should remind the owner and the contractor that the City is not a party to the construction contract. The owner and contractor should therefore endeavor to resolve their dispute without outside involvement. It is helpful to refer the two parties back to the General Conditions of the contractor agreement, which sets forth a formal process for dispute resolution via correspondence.

Some disputes require mediation for resolution. To mediate the dispute, staff and/ or program consultant should complete the following:

- a. Schedule a meeting with the contractor and the owner at the Program staff's office.
- b. At the meeting, program consultant/inspector should remind the parties of the program goals.
- c. The contractor and owner should explain the problem from their respective points of view.

Talking through the problem from each point of view can sometimes help the parties identify ways to address the problem to each person's satisfaction. In the event mediation fails to resolve the dispute, staff should again remind the two parties that the City is not a party to the agreement. However, staff may be able to make certain recommendations to the contractor and the owner in order to facilitate the completion of the rehabilitation work to the satisfaction of the owner.

In the event that either party suggests or threatens litigation or is unwilling to fulfill their contractual obligations, staff shall advise the parties to exercise their rights as established within the General Conditions to the construction contract.

If both parties mutually agree to terminate the contract, staff shall initiate the substitution of contractor provisions detailed herein at Section J. When appropriate, staff may need to consult the City Attorney for advice on how and when to release contract funds depending on how each of the parties exercises their rights to terminate the contract agreement.

Program staff shall maintain a complaint log, documenting the date and nature of any project complaint, and corrective actions taken by staff to resolve the matter. Complaints concerning the Program should first be made to Program staff and the RC advised.

J. SUBSTITUTION OF CONTRACTOR

In the event that the selected contractor shall fail or refuse to complete the work, in a professional and workman like manner, as set forth in the Rehabilitation Construction Contract, including its General Conditions and Standard Specifications, or fails to use due diligence in performing the required work, the property owner(s) may terminate the Rehabilitation Construction Contract, upon providing proper notice, to such contractor.

Program staff shall assist the property owner(s) in completing the necessary termination document(s) as needed. No further rehabilitation is to commence until an agreement releasing the original contractor from his/her contractual obligations, is on file with the Program staff, and a new contract is signed between the substitute contractor and the property owner(s).

1. Non-commencement by Original Contractor.

The owner shall notify the City, by means of a registered letter, indicating that the original selected contractor will not be performing the rehabilitation work and the reason(s) why a substitution of contractor has been requested. Both the property owner(s) and the original contractor's signatures are required on this document. The property owner shall obtain additional bids from contractors willing to perform the rehabilitation work. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by Program staff and appropriately signed.

2. Noncompliance by Original Contractor

The owner shall notify the Program staff, by means of a registered letter, indicating that the original selected contractor has not complied with the terms of the agreement and that a substitution of contractor is being requested. Both the property owner(s) and the original contractor's signatures are required on this document. The property owner shall obtain additional bids from contractors willing to complete the rehabilitation work. A new Rehabilitation Construction Agreement, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by Program staff and appropriately signed. Program inspector/consultant shall inspect the job site and compile a list of incomplete or unacceptable items in order to determine the extent of work to be completed by the substitute contractor.

A meeting shall be held between Program staff, the property owner(s) and the original contractor to establish an amount and method of payment for any work which has been completed in accordance with the agreement. Funds withheld from the original contractor shall be identified. Lien releases and invoices from the original contractor and subcontractor(s) shall be provided. Program consultant/inspector shall prepare a revised work write-up, based upon staff's inspection findings, which shall contain only those items necessary to complete the job. The property owner(s) shall obtain bids from contractors willing to perform such work, and to the extent possible, assure that the new contract does not exceed available grant funding. A new Rehabilitation Construction Contract, Notice to Proceed, and Waiver and Hold Harmless Agreement shall be prepared by Program staff and appropriately signed.

VII. COMPLETION AND FINAL PAYMENT

The project completion and final payment process is intended to:

- Document completion of the work.
- Protect the owner from liens and title clouds.
- Assure prompt payment to the contractor.

When the contractor completes all work on the project, the contractor should submit an itemized invoice for all previously unpaid line items contained within the construction contract. Staff will inspect all completed work together with the owner. The staff Inspector will note any incomplete or unacceptable items on a punch list form and give a signed copy to both the owner and the contractor for correction.

The contractor is responsible for:

- Obtaining building permits and inspections from the Building Department;
- Obtaining lien releases from sub-contractors and material suppliers;
- Submission of invoices to staff; and
- Providing the owner with a written one-year warranty certificate covering the materials and workmanship of all contracted items.

The owner is responsible for:

- Monitoring the contractor's work throughout the project;
- Providing a suitable working environment that does not impede the responsibilities of the contractor
- Co-approval of payment requests from the contractor; and

Staff is responsible for:

- Conducting progress payment inspections to ensure that the quality of the work is acceptable;
- Ensuring compliance with all Davis Bacon and related acts requirements
- Ensuring that the project file documents all work requiring permits with a copy of the City permit signed off by the City Building Inspector;
- Maintaining the project accounting in the project file and in project logs;
- Maintaining Lien Releases and the Payment Requests in the project file;
- Answering questions from owners and contractors regarding the City's CRP Policy, Implementation Guidelines and documents;
- Preparing Management Reports; and
- Preparing a "Final Statement" for the owner upon the conclusion of the project.

Staff should check with the owner for any construction deficiencies the owner feels should be corrected under the contract. If appropriate, staff should direct the contractor to make necessary corrections, which must be signed off by the owner. 35 days after completion of the project, program consultant/inspector shall follow-up with the owner and, if appropriate, make the final payment to the contractor of the 10% retention.

VIII. POST CONSTRUCTION

The post construction phase concentrates on maintaining accurate records and safeguarding records.

A. REQUIRED RECORDKEEPING AND FILES

Files will be maintained to document the significant history of CRP activities for all projects. The City must maintain these files for a period not less than five years following the completion of the grant-only project. Project files shall include, at a minimum:

- Section 1: The application and all supporting documentation related to property and applicant eligibility, and property information reports.

- Section 2: Official correspondence and the Rehabilitation Environmental Review.
- Section 3: Inspection reports, lead-based paint and asbestos reports, before and after photographs, work descriptions, internal estimate, bid evaluation, contractor clearances, contractor insurance, Davis Bacon compliance documentation, contractor business license, contractor W-9, recorded Notice of Completion.
- Section 4: participation Agreement, construction contract agreement, all grant disbursement information including invoices, payment releases, lien releases, warranties, and copies of payment checks.

Program staff will keep copies of all solicitations for bids, contracts, women- and minority-owned business lists, solicitation lists, documentation of affirmative actions taken, and copies of any forms submitted by the contractor pursuant to the reporting requirements for a period of five years.

Original grant documents (i.e. Grant Participation Agreement) are to be maintained in a secure and fire resistant location. The Program staff maintains and grants access to its borrower information only in accordance with its internal security standards which restricts access to program personnel, or in response to a required official audit.

B. PROJECT MATRIX

For each fiscal year, staff will maintain an active project matrix containing the case number, name, address, telephone number, racial/ethnic data, census tract, block group, year built, application date, inspection date, Work Description approval date, expected post-rehabilitation value, RC Approval Date, grant funds awarded, project soft costs (i.e. escrow, title, credit, asbestos/lead-based paint testing), construction contract amount, contractor payment information, contract award date, notice to proceed date, final inspection date, recordation of Notice of Completion date, and project phase (i.e. pre-construction, construction, complete).

C. GRANT DATABASE

In order to effectively manage the Program's Accounts and to maintain an accurate record of all grant activity, an on-going grant database will be established to track grant funds. The database will include, at a minimum, the source of project funding, the borrower's name, address, telephone number, Assessor's Parcel Number, grant amount, and information pertaining to the program outcomes.

D. BONUS, COMMISSION OR FEE

The applicant shall not pay any bonus, commission or fee, for the purpose of obtaining approval of the grant application, or for any other approval or concurrence as may be required by Agency and/or HUD or the City pursuant to the provisions of this Program.

E. CONFLICT OF INTEREST

No Program assistance will be provided to any member of the governing body of the Agency or HUD, or any designee of HUD, or the City of Carson, who exercises any authority or responsibilities in connection with the administration of this program. No member of the aforementioned organizations shall have any interest, direct or indirect, in the proceeds from the Commercial Rehabilitation Façade Program or in any contract

entered into by the applicant for the performance of the work, financed, in whole or in part, with the proceeds of the grant.

F. DISCLOSURE OF INFORMATION

The City is a public agency and information or records (with the exception of financial information which falls under Government Code section 6250 (c), and section 7460 et seq.) submitted or released to the City by the applicant may be considered public records and subject to disclosure under the Public Records Act, Government Code section 6250 et seq.

G. EQUAL OPPORTUNITY POLICY

The City shall not discriminate based upon sex, age, race, creed, color, religion, national origin, marital status, ancestry or physical handicap in the awarding of a contract for rehabilitation of property assisted by this Program. The City shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin, marital status, ancestry or physical handicap in accepting applications and processing Program applications.

H. HAZARD AND FLOOD INSURANCE REQUIREMENTS

Applicants are obligated to carry sufficient hazard insurance coverage on the subject property to be rehabilitated under the provisions of this Program. Prior to any grant assistance, minimum fire insurance coverage shall be provided in an amount which is equivalent to the value of the subject building or structure including the proposed rehabilitation improvements. Uninsured applicants must obtain coverage in the required amount prior to receiving grant assistance. Applicants in a "Flood Hazard Area" will be required to purchase flood hazard insurance. This requirement may be waived for emergency repairs, at the discretion of the City.

I. PROGRAM EXCEPTIONS AND AMENDMENTS

Amendments to these guidelines may be made from time to time by the City. Vested authority shall be granted to the Director of Community Development of the Carson Community Development Department to grant a minor waiver or make minor amendments to these guidelines, with the exception of requirements mandated by Federal regulations which may not be waived under any circumstances. All major amendments or major waivers to these guidelines shall be approved by the Director.



CITY OF CANTON
COMMERCIAL FACADE REHABILITATION PROGRAM
PROGRAM IMPLEMENTATION FLOWCHART