The Safe Homes for O.C. Seniors Program is designed to do exactly what its name suggests—help make homes safer for the seniors who live in them. The Program focuses on repairs and improvements that promote the health, safety, and welfare of eligible senior homeowners. Eligible improvements may include accessibility modifications, energy efficiency improvements, correction of health and safety hazards, and repairs necessary to address code violations.

APPLICANT ELIGIBILITY

Eligibility for the Program is limited to persons and households with incomes at or below eighty percent (80%) of the Area Median Income (AMI), adjusted for household size, using the HUD income limits published annually for the Community Development Block Grant (CDBG) Program. OCHCD shall use the HUD income limits in effect at the time an applicant's eligibility is determined.

Unreported income is considered fraud and will result in denial of Safe Homes for O.C. Seniors Program funding.

Applicants must be 62 years of age or older, own the property, and occupy it as their primary residence. Ownership shall be verified through a property tax bill, title report, or other documentation acceptable to OCHCD.

Applicants must also agree to comply with all applicable HUD, federal, state, County, local, and Program requirements regarding lead-based paint hazard inspections and lead-based paint hazard reduction work, environmental review, building code compliance, historic preservation and State Historic Preservation Office (SHPO) requirements, health and safety, energy efficiency standards, and any other inspections or requirements applicable to the Program.

PROPERTY ELIGIBILITY

Eligibility for the Program is limited to single-family homes located within a city participating in the Orange County Urban County Program or within an unincorporated area of Orange County.

Applicant(s) must have owned their home for at least one year prior to receiving Orange County Housing & Community Development (OCHCD) approval and funding for any repairs and renovation.

Funding provided through the Safe Homes for O.C. Seniors Program is a forgivable grant. The property must be occupied by the applicant as their primary residence. Twenty-five percent (25%) of the grant shall be forgiven each year over a four (4) year period, provided the applicant continues to occupy the property as their primary residence and otherwise complies with the Program requirements.

SECURITY INSTRUMENTS

Applicants receiving Safe Homes for O.C. Seniors funding shall execute a Promissory Note, Deed of Trust, and Safe Homes for O.C. Seniors Participation Agreement. Subject to continued compliance with Program requirements, the forgivable grant shall be forgiven over a four (4) year period at a rate of twenty-five percent (25%) per year. Upon successful completion of the four-year affordability period, the grant obligation shall be considered fully satisfied.

HOUSEHOLD COMPOSITION

Households are comprised of all people (adults or minors) living within the eligible home. Non-income producing individuals must reside in the house for more than one year. A "boarder" who is renting a room within the home is excluded from the "household" occupancy number, however, the amount of their rental payment must be included within the household's income calculations. Additionally, property owners who are Joint Tenants on Title (partial owners of the property), but do not live on-site, are not counted as part of the household occupancy number.

CALCULATION OF HOUSEHOLD INCOME

The gross annual income of all household members shall be calculated and projected for the upcoming twelve (12) month period in accordance with applicable HUD income determination requirements. All individuals age 18 and above within the household must be considered and sign the Safe Homes for OC Seniors Application detailing the amount of all types of wages, earnings, and financial benefits they receive. This includes, but is not limited to income as an employee or owner of a business, interest, dividends, Social Security benefits, pensions, annuities, disability, retirement funds, insurance policies, death benefits, unemployment insurance, worker's compensation benefits, and all other types of periodic and determinable income are included. Items NOT included in income calculations are casual or sporadic gifts, reimbursements received for medical expenses, and/or educational scholarships.

ELIGIBLE REPAIRS

Code / Health and Safety Repairs: The focus of the Safe Homes for O.C. Seniors Program is to promote the health, safety, and welfare of the senior community. This is often accomplished through repairing and eliminating any code violations and immediate health or safety issues. Some code violations and safety issues may be discovered upon the initial home walk-through and will be added to the Scope of Work. The Program can fund the necessary repairs to bring the home into Code Compliance and obtain approved building permits.

ADA Repairs: These repairs help make a home accessible to those with disabilities. Sample repairs include: ramps, sidewalks, grab bars, shower accessibility, high-boy toilets, driveway repair, and handrails.

Energy Efficiency Repairs: Sample repairs include: HVAC repair or replacement, subject to County approval, energy-efficient window or door replacement, insulated vinyl siding installation, and water heater replacement.

Welfare: A variety of conditions may adversely affect the health, safety, and welfare of senior homeowners if left unaddressed. Examples include roofing, electrical, plumbing, painting (including lead-based paint stabilization), and termite or dry rot damage. Other eligible repairs may be approved by HCD staff on a case-by-case basis, provided they support the intent of the Safe Homes for O.C. Seniors Program.

HISTORIC REVIEW (SECTION 106)

If the applicant's home is more than 50 years old, then a historical assessment (Section 106 Review), and review of the intended scope of work, must be requested from the City's Planning Division. Approval must be obtained through the Cultural Resources Specialist of the Planning Division. Planning staff will provide their written determination and recommendations and send a copy to both Program Staff and the State Historical Preservation Office (SHPO).

CONTRACTORS

The Agreement for Rehabilitation is between the homeowner and the homeowner's selected Contractor. OCHCD does not hire, employ, recommend, or warrant the Contractor. OCHCD's role is to provide Program funding and verify that the selected Contractor satisfies applicable CDBG and Program participation requirements.

Contractor Qualifications

The homeowner may select any appropriately licensed Contractor. Before commencing Program-funded work, the selected Contractor must submit a Contractor Participation Application and required supporting documentation.

OCHCD will verify:
- The Contractor's license is active and appropriate for the proposed work.
- Required insurance coverage is current.
- Any applicable city business license has been obtained.
- The Contractor is not excluded or debarred from participation in federally funded programs through SAM.gov.

OCHCD's review is limited to determining whether the Contractor is eligible to perform Program-funded work and does not constitute an endorsement or guarantee of the Contractor or the Contractor's workmanship.
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<u>Contractor Disqualifications</u>
A Contractor may be disqualified from participating in the Program for failure to maintain the required license, insurance, business license, or federal eligibility, or for conduct that places the homeowner or Program funds at risk. This may include abandonment of work, poor or incomplete workmanship, unjustified change orders, failure to complete warranty work, or other material violations of Program requirements.

A disqualified Contractor will be notified in writing and may not perform additional Program-funded work unless reinstated by OCHCD.

<u>Contractor Insurance Requirements</u>
The Contractor must maintain the insurance required by OCHCD throughout the construction period and provide current certificates and required endorsements before work begins.

The specific coverage limits and endorsement requirements will be stated in the Contractor Participation Application or other Program documents.

<u>Contractor Payments</u>
Program funds shall be paid directly to the Contractor upon satisfactory completion of the approved work and receipt of all required Program documentation.

For contracts of less than Five Thousand Dollars ($5,000), payment may be made in one disbursement. For contracts of Five Thousand Dollars ($5,000) or more, OCHCD may authorize up to three (3) progress payments during construction.

OCHCD may retain a portion of the final payment if determined necessary, until all Program requirements have been satisfied, including satisfactory completion of the work, required inspections, submission of applicable permits, execution of required payment authorization forms, receipt of applicable lien waivers or releases, and recordation of the Notice of Completion, where applicable.

Program funds shall be disbursed directly to the Contractor. Homeowners shall not receive direct payment or reimbursement for Program-funded work.

PROGRAM PROCESS

Program Process

PROJECT QUALIFICATION

1. Initial Inquiry: All homeowner inquiries are referred to CivicStone, Inc., which provides information about the Program, eligibility requirements, and the application process.
2. Application Submission: The homeowner obtains and submits a completed Program application.
3. Eligibility Determination: CivicStone reviews the application for completeness and determines Program eligibility.
4. Environmental Review: Prior to committing Program funds, CivicStone/OCHCD completes the required environmental review.
5. Program Approval: Applications that satisfy Program eligibility and environmental review requirements are submitted to OCHCD for final Program approval.
6. Initial Property Inspection: CivicStone conducts an on-site inspection with the homeowner to evaluate the property, discuss eligible repairs, and identify potential health, safety, accessibility, and code-related improvements.

7. Priority Matrix & Tentative Scope of Work: Using information obtained during the initial property inspection, CivicStone prepares a Priority Matrix to identify and prioritize eligible improvements based on Program objectives.

8. Competitive Bids: The homeowner obtains competitive bids from qualified contractors. CivicStone may provide administrative assistance throughout the bidding process.

9. Contractor Selection & Participation: The homeowner selects the contractor.

10. Final Scope of Work & Construction Agreement: Following contractor selection, the Scope of Work is finalized, the construction contract amount is confirmed, and all required Program documents are executed.

11. Loan Documents & Notice to Proceed: After all required documents have been executed and recorded, homeowner and contractor execute the Notice to Proceed authorizing construction to begin.

CONSTRUCTION ADMINISTRATION

Following execution and recordation of the required Program documents, satisfaction of all environmental requirements, and issuance of the Notice to Proceed by the homeowner, CivicStone administers the construction phase to ensure work is completed in accordance with the approved Scope of Work, Program requirements, and applicable regulations.

12. Lead Clearance (When Applicable): When lead-based paint activities require clearance testing, satisfactory clearance results must be received before construction activities begin in the affected work areas.

13. Notice to Proceed: Prior to commencement of construction, the homeowner and selected contractor execute the Notice to Proceed acknowledging the approved Scope of Work, construction cost, anticipated project timeline, and the homeowner's authorization for the contractor to proceed with construction.

14. Construction Monitoring: CivicStone monitors project progress to ensure the project remains consistent with the approved Scope of Work, Program requirements, and project budget. CivicStone serves as a liaison between

the homeowner, contractor, and OCHCD to facilitate communication, assist in resolving project issues, and maintain complete Program documentation throughout construction.

15. Change Orders: No work outside the approved Scope of Work shall be performed until the proposed change order has been reviewed and approved in writing by all required parties. Unauthorized work may not be eligible for reimbursement under the Program.

16. Progress Payments: CivicStone coordinates the review of contractor payment requests prior to recommending payment. Payment recommendations are submitted to OCHCD for review and approval in accordance with Program requirements.

    Program funds shall be paid directly to approved contractor(s) or authorized vendor(s). Homeowners shall not receive reimbursement or compensation for performing their own labor or home improvement repairs.

17. Project Completion: Upon completion of the approved Scope of Work, the contractor notifies CivicStone that the project is complete.

18. Notice of Completion: After the work has been completed to the homeowner's satisfaction, the homeowner and contractor execute a Notice of Completion acknowledging that the approved Scope of Work has been completed.

19. Final Payment: Following project completion, CivicStone reviews the contractor's final invoice and supporting documentation to verify that all required Program documentation has been received and all required approvals have been obtained.

    CivicStone submits the final payment package to OCHCD for review and authorization. Following OCHCD approval, the County processes payment to the contractor in accordance with County payment procedures.

20. <u>Project Closeout:</u> Following receipt of the required closeout documentation, CivicStone reviews the project file to ensure all Program requirements have been satisfied.

LOAN ADMINISTRATION

1. <u>Loan Document Preparation:</u> Following approval of financial assistance, CivicStone coordinates the preparation of the required loan documents.
2. <u>Loan Execution:</u> Homeowners execute all required loan documents.
3. <u>Recordation:</u> When required, loan security documents are submitted for recording with the Orange County Clerk-Recorder.
4. <u>Loan Servicing:</u> OCHCD maintains the official loan portfolio and administers loan servicing activities in accordance with County policies and Program requirements.
5. <u>Loan Payoff and Reconveyance:</u> When a loan becomes due or a payoff is requested, OCHCD coordinates preparation of the payoff demand and any required reconveyance documents in accordance with County procedures.

SAFE HOMES
FOR O.C. SENIORS